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**PROPOSALS
FOR A NEW
NOT-FOR-PROFIT
CORPORATIONS
LAW
FOR CANADA**

**vol. 2
1974**



Consumer and
Corporate Affairs

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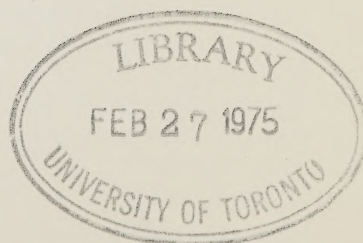



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PROPOSALS
for a
NEW
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CORPORATIONS
LAW
for CANADA
Volume II





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PROPOSALS
for a
NEW NOT-FOR-PROFIT CORPORATIONS LAW
for CANADA

Volume II
Proposed Canada Not-For-Profit Corporations Act
by
Peter A. Cumming, B.A., LL.B., LL.M.
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Territories, and Ontario Bars

References under the marginal notes are to paragraphs in
the Commentary (Volume I).

PROPOSED CANADA NOT-FOR-PROFIT CORPORATIONS

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for CANADA

PART 1.00

INTERPRETATION AND APPLICATION

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“affiliate”

1.01 This Act may be cited as the Canada Not-For-Profit Corporations Act.

1.02 (1) In this Act,

“affiliate” means an affiliated body corporate within the meaning of subsection (2);

“articles” means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of dissolution, articles of revival and includes any amendments thereto;

“associate”

“associate” when used to indicate a relationship with any person means,

- (a) a body corporate of which that person beneficially owns or controls, directly or indirectly, shares or securities convertible into shares carrying more than ten per cent of the voting rights under all circumstances or by reason of the occurrence of an event that has occurred and is continuing, or a presently exercisable option or right to purchase such shares or such convertible securities,
- (b) a partner of that person acting on behalf of the partnership of which they are partners,
- (c) a trust or estate in which that person has a substantial beneficial interest or in respect of which he serves as a trustee or in a similar capacity,
- (d) a spouse or child of that person, if such spouse or child has the same residence as that person, or
- (e) a relative of that person or of his spouse if that relative has the same residence as that person;

“auditor”

“auditor” includes a partnership of auditors;

“beneficial
interest”

“beneficial interest” or “beneficial ownership” includes ownership through a trustee, legal representative, agent or other intermediary;

“body
corporate”

“body corporate” includes a corporation, company or other body corporate whenever or however incorporated;

“corporation”

“corporation” means a body corporate incorporated or continued under this Act and not discontinued under this Act;

“court”

“court” means in Ontario, the Supreme Court; in Quebec, the Superior Court; in Nova Scotia, New Brunswick, British Columbia, Prince Edward Island, Alberta and Newfoundland, the Supreme Court in and for each of those Provinces, respectively; in Manitoba, the Court of Queen’s Bench; in Saskatchewan, the Court of Queen’s Bench; in the Yukon Territory, the Supreme Court and in the Northwest Territories, the Supreme Court;

“court of
appeal”

“court of appeal” means the court to which an appeal lies from an order of a court;

“debt
obligation”

“debt obligation” means a bond, debenture, note or other evidence of indebtedness or guarantee of a corporation, whether secured or unsecured;

“director”

“director” includes a person occupying the position of director by whatever name called and “directors” and “board of directors” includes a single director;

“incorporator”

“incorporator” means a person who signs articles of incorporation;

“individual”

“individual” means a natural person;

“member” means one having rights through a membership interest of a corporation in accordance with the provisions of its articles of incorporation or by-laws;	“member”
“Minister” means such member of the Queen’s Privy Council for Canada as is designated by the Governor in Council to act as the Minister for the purposes of this Act;	“Minister”
“non-pecuniary purpose” means a purpose or object of a body corporate formed,	“non-pecuniary purpose”
(a) exclusively for a purpose or purposes other than the making of a profit for the pecuniary gain or benefit of members; and	
(b) no part of the assets, income or profit of which is distributable to, or ensures to the benefit of its members or directors except to the extent permitted under sections 5.10, 9.21, 14.09, 14.17, 17.19, 17.22, 19.04 and 19.06 of this Act;	
“ordinary resolution” means a resolution passed by a majority of the votes cast by the members who voted in respect of that resolution;	“ordinary resolution”
“person” includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;	“person”
“prescribed” means prescribed by the regulations;	“prescribed”
“Registrar” means the Registrar appointed under section 20.08;	“Registrar”
“resident Canadian” means an individual who is a Canadian citizen ordinarily resident in Canada or a landed immigrant within the meaning of the <i>Immigration Act</i> other than a landed immigrant ordinarily resident in Canada for six years or more who has not become a Canadian citizen;	“resident Canadian”
“security” means a certificate evidencing a debt obligation of a corporation;	“security”
“security interest” means an interest in or charge upon the property of a corporation by way of mortgage, hypothec, pledge or otherwise, taken by a creditor to secure payment of a debt of the corporation;	“security interest”
“special resolution” means a resolution passed by a majority of not less than two-thirds of the votes cast by the members who voted in respect of that resolution or signed by all the members entitled to vote on the resolution;	“special resolution”
“unanimous member agreement” means an agreement described in subsection 11.15(2).	“unanimous member agreement”
(2) For the purposes of this Act,	
(a) one body corporate is affiliated with another body corporate if one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person, and	Affiliated corporations
(b) if two bodies corporate are affiliated with the same body corporate at the same time, they are deemed to be affiliated with each other.	
(3) For the purposes of this Act, a body corporate is deemed to be controlled by a person if shares of the body corporate carrying voting rights sufficient to elect a majority of the directors of the body corporate are held, other than by way of security only, by or on behalf of that person.	Deemed Control
(4) A body corporate is the holding body corporate of another if that body corporate is its subsidiary.	Holding body corporate
(5) A body corporate is a subsidiary of another body corporate if it is controlled directly or indirectly by that other body corporate.	Subsidiary body corporate

<p>“charitable corporation” 100</p>	<p>(6) For the purposes of this Act,</p> <p>(a) “charitable corporation” means a corporation incorporated or continued under this Act for a non-pecuniary purpose or purposes which are charitable, or otherwise primarily for the benefit of the public, and not discontinued under this Act,</p>
<p>“membership corporation” 100</p>	<p>(b) “membership corporation” means a corporation incorporated or continued under this Act for a non-pecuniary purpose or purposes primarily for the benefit of the membership, and not discontinued under this Act, and</p>
<p>Deemed charitable corporation</p>	<p>(c) if a corporation is incorporated or continued under this Act for non-pecuniary purposes which are within the meaning of both “membership corporation” and “charitable corporation” it shall be deemed a charitable corporation.</p>
<p>Application of Act 41-43</p>	<p>1.03 (1) This Act applies to every corporation incorporated and every body corporate continued as a corporation under this Act that has not been discontinued under this Act.</p>
<p>Exceptions</p>	<p>(2) This Act does not apply to a body corporate that is incorporated under the <i>Canada Co-Operative Associations Act</i> or the <i>Pension Fund Societies Act</i>.</p>

PART 2.00

INCORPORATION

2.01 (1) One or more individuals no one of whom

Incorporators
44-45

- (a) is less than eighteen years of age,
- (b) is of unsound mind and has been so found by a court in Canada or elsewhere, or
- (c) is an undischarged bankrupt,

may incorporate a corporation by signing articles of incorporation and complying with section 2.03.

(2) One or more bodies corporate may incorporate a corporation by signing articles of incorporation and complying with section 2.03.

Bodies
corporate

2.02 (1) Articles of incorporation shall follow the prescribed form and shall set out in respect to the proposed corporation:

Articles of
incorporation
46-52, 54, 55

- (a) the name of the corporation;
- (b) the place within Canada where the registered office of the corporation is to be situated;
- (c) the classes of membership, and if there are two or more classes of memberships, the rights, privileges, restrictions and conditions attaching to each class of membership;
- (d) if a right to transfer membership interests of the corporation is to be permitted, a statement that the right to transfer membership interests is permitted and the nature of such permission;
- (e) the number of directors or, subject to paragraph 9.06(a), the minimum and maximum number of directors of the corporation;
- (f) that incorporation is for a non-pecuniary purpose or purposes;
- (g) any restriction on the non-pecuniary purpose or purposes which the corporation may carry on;
- (h) whether the corporation is a membership or a charitable corporation as provided in subsection 1.02(6);
- (i) subject to subsections 17.19(1) and (2), how the remaining property is to be transferred, conveyed or distributed in the course of liquidation of the corporation; and
 - (i) a membership corporation shall provide in respect to property received and held subject to limitations permitting the use of such property only for charitable purposes, but not held upon a condition requiring return, transfer or conveyance by reason of the dissolution, that such remaining property shall be transferred or conveyed to one or more corporations, societies or organizations in Canada having cognate or similar purposes or objects to those of the corporation, and in respect to its other remaining property a membership corporation may, and
 - (ii) a charitable corporation shall provide that such remaining property shall be transferred or conveyed to one or more corporations, societies or organizations in Canada having cognate or similar purposes or objects to those of the corporation.

Additional provisions in articles 56	<p>(2) The articles may set out any provisions permitted by this Act or by law to be set out in</p> <p>(a) the by-laws of the corporation; or</p> <p>(b) a unanimous member agreement.</p>
Special majorities	<p>(3) If the articles or a unanimous member agreement require a greater number of votes of directors or members than that required by this Act to effect any action, the provisions of the articles or of the unanimous member agreement shall prevail.</p>
Delivery of articles of incorporation 46, 51, 53	<p>2.03 An incorporator shall send or deliver to the Registrar articles of incorporation and the documents required by sections 4.01 and 9.05.</p>
Certificate of incorporation 46, 51	<p>2.04 Upon receipt of articles of incorporation, the Registrar shall issue a certificate of incorporation in accordance with section 20.10.</p>
Effect of certificate 46	<p>2.05 A corporation comes into existence on the date shown in the certificate of incorporation.</p>
Name of corporation 58	<p>2.06 (1) The word “Incorporated” or “Incorporée” or the appropriate abbreviation “Inc.” may be the last word of the name of any corporation but any such corporation may use and may be legally designated by either the full or or the abbreviated form.</p>
Alternative name 59	<p>(2) Subject to subsection 2.08(1), a corporation may set out its name in its articles in an English form, a French form, an English form and a French form or in a combined English and French form and, for use outside Canada, any other language form.</p>
Publication of name 60	<p>(3) A corporation shall set out its name in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the corporation.</p>
Other name	<p>(4) Subject to subsection (3) and subsection 2.08(1), a corporation may carry on its non-pecuniary purpose or purposes under or identify itself by a name other than its corporate name.</p>
Reserving name 61	<p>2.07 (1) The Registrar may, upon request and upon payment of the prescribed fee, reserve for ninety days a name for an intended corporation or for a corporation about to change its name.</p>
Designating number 62, 63	<p>(2) If requested to do so by the incorporators, the Registrar shall assign to a corporation a designating number determined by him.</p>
Prohibited names 64-67	<p>2.08 (1) A corporation shall not be incorporated with, have, carry on business under or identify itself by a name</p> <p>(a) that is, as prescribed, prohibited, non-distinctive, misdescriptive, deceptive or confusingly similar to an existing trade mark, trade name or corporate name, except where the trade mark or trade name is being changed, or the body corporate is being dissolved or is changing its corporate name and consent to the use of the trade mark, trade name or corporate name is signified to the Registrar in such manner as he may require; or</p> <p>(b) that is reserved for another corporation or intended corporation under section 2.07.</p>

<p>(2) If, through inadvertence or otherwise, a corporation</p> <p>(a) comes into existence or is continued with a name; or</p> <p>(b) upon an application to change its name, is granted a name that contravenes this section, the Registrar may direct the corporation to change its name in accordance with section 14.01.</p>	<p>Directing change of name 67</p>
<p>(3) Notwithstanding subsections (1) and (2), a corporation that is continued under this Act is entitled to be continued with the name it had before such continuance unless that name is identical with or confusingly similar to the name of an existing corporation.</p>	<p>Name of continued corporation</p>
<p>(4) If a corporation has a designating number as its name, the Registrar may direct the corporation to change its name to a name other than a designating number in accordance with section 14.01.</p>	<p>Idem</p>
<p>(5) When a corporation has been directed under subsection (2) or (3) to change its name and has not within sixty days from the service of the directive to that effect changed its name to a name that complies with this Act, the Registrar may revoke the name of the corporation and assign to it a name and, until changed in accordance with section 14.01, the name of the corporation is thereafter the name so assigned.</p>	<p>Revoking name</p>
<p>2.09 (1) If a corporation has had its name revoked and a name assigned to it under subsection 2.08(5), the Registrar shall issue a certificate of amendment showing the new name of the corporation and shall forthwith give notice of the change of name by one insertion in the <i>Canada Gazette</i>.</p>	<p>Certificate of amendment 67</p>
<p>(2) The articles of the corporation are amended accordingly on the date shown in the certificate of amendment.</p>	<p>Effect of certificate</p>
<p>2.10 (1) Except as provided in this section, a person who enters into a written contract in the name of or on behalf of a corporation before it comes into existence is personally bound by the contract and is entitled to the benefits thereof.</p>	<p>Personal liability 68</p>
<p>(2) A corporation may, within a reasonable time after it comes into existence, by any action or conduct signifying its intention to be bound thereby, adopt a written contract made before it came into existence in its name or on its behalf, and upon such adoption</p>	<p>Pre-incorporation and pre-amalgamation contracts 62, 68-72</p>
<p>(a) the corporation shall be bound by the contract and entitled to the benefits thereof as if the corporation had been in existence at the date of such contract and had been a party thereto: and</p> <p>(b) a person who purported to act in the name of or on behalf of the corporation ceases, except as provided in subsection (3) to be bound by or entitled to the benefits of the contract.</p>	
<p>(3) Except as provided in subsection (4), whether or not a written contract made before the coming into existence of a corporation is adopted by the corporation, a party to the contract may apply to a court for an order fixing obligations under the contract as joint or joint and several or apportioning liability between or among the corporation and a person who purported to act in the name of or on behalf of the corporation and upon such application the court may make any order it thinks fit.</p>	<p>Application to court 72, 73</p>
<p>(4) If expressly so provided in the written contract, the person who purported to act in the name of or on behalf of the corporation before it came into existence is not in any event bound by the contract or entitled to the benefits thereof.</p>	<p>Exemption from liability</p>

PART 3.00

CAPACITY AND POWERS

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3.01 (1) A corporation has for the furtherance of its non-pecuniary purpose or purposes and affairs the capacity and also the rights, powers and privileges of a natural person.

(2) A corporation has the capacity to carry on its non-pecuniary purpose or purposes, conduct its affairs and exercise its powers in any jurisdiction outside Canada to the extent that the laws of such jurisdiction permit.

3.02 (1) It is not necessary for a by-law to be passed in order to confer any particular power on the corporation or its directors.

(2) A corporation shall not carry on any non-pecuniary purpose or exercise any power that it is restricted by its articles from carrying on or exercising, nor shall the corporation exercise any of its powers in a manner contrary to its articles.

(3) No act of a corporation and no transfer of property to or by a corporation, is invalid by reason only that the act or transfer is contrary to its articles or this Act.

3.03 No person is affected by or is deemed to have notice or knowledge of the contents of a document concerning a corporation by reason only that the document has been filed by the Registrar or is available for inspection at an office of the corporation.

3.04 A corporation may not assert against a person dealing with the corporation or with any person who has acquired rights from the corporation that

- (a) the articles, by-laws and any unanimous member agreement has not been complied with,
- (b) the persons named in the most recent notice sent to the Registrar under section 9.05 or 9.12 are not the directors of the corporation,
- (c) the place named in the most recent notice sent to the Registrar under section 4.01 is not the registered office of the corporation,
- (d) a person held out by a corporation as a director, an officer or an agent of the corporation has not been duly appointed or has no authority to exercise the powers and perform the duties that are customary in the carrying out of the non-pecuniary purpose or purposes of the corporation or usual for such director, officer or agent,
- (e) a document issued by any director, officer or agent of a corporation with actual or usual authority to issue the document is not valid or not genuine, or
- (f) a sale, lease or exchange of property referred to in subsection 14.16(2) was not authorized,

except where the person has or ought to have by virtue of his position with or relationship to the corporation knowledge to the contrary.

PART 4.00

REGISTERED OFFICE AND RECORDS

4.01 (1) A corporation shall at all times have an address for its registered office in the place within Canada specified in its articles.

Registered Office
124, 125
Notice of registered office

(2) A notice of registered office in prescribed form shall be sent or delivered to the Registrar together with any articles that designate or change the place of the registered office of the corporation.

Change of address of registered office
125

(3) The directors of a corporation may change the address of the registered office within the place specified in the articles.

(4) A corporation shall send or deliver to the Registrar, within fifteen days of any change of address of its registered office, a notice in prescribed form and the Registrar shall file it.

Notice of change of address
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4.02 (1) A corporation shall prepare and maintain, at its registered office or at any other place in Canada designated by the directors, records containing

Corporate records
126-128

(a) the articles and the by-laws, and all amendments thereto, and a copy of any unanimous member agreement;

(b) minutes of meetings and resolutions of members;

(c) copies of all notices required by section 9.05 or 9.12;

(d) if it issues securities, a securities register complying with Part 6.00; and

(e) a register of members containing the names, alphabetically arranged, addresses and occupations, of all persons who are and have been members of the corporation and the dates on which each became and ceased to be a member.

(2) In addition to the records described in subsection (1), a corporation shall prepare and maintain adequate accounting records and records containing minutes of meetings and resolutions of the directors and any committee thereof and any resolutions of the directors or committee.

Directors records

(3) The records described in subsection (2) shall be kept at the registered office of the corporation or at such other place as the directors think fit and shall at all reasonable times be open to inspection by the directors.

Place of directors records

(4) Where accounting records of a corporation are kept at a place outside Canada there shall be kept at the registered office or other office in Canada accounting records adequate to enable the directors to ascertain the financial position of the corporation with reasonable accuracy on a quarterly basis.

Records in Canada

(5) A corporation that fails to comply with this section is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars.

Offence

4.03 (1) Members and creditors of a corporation, their agents and legal representatives and the Registrar may examine the records referred to in subsection 4.02(1) during the usual business hours of the corporation, and may take extracts therefrom, free of charge, and any other person may also do so in respect to a charitable corporation upon payment of a reasonable fee.

Access to corporate records
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Copies of corporate records 131	(2) A member of a corporation is entitled upon request and without charge to one copy of the articles and by-laws and of any unanimous member agreement.
Member lists 132, 133	(3) Upon payment of a reasonable fee and upon sending or delivering to a corporation the affidavit referred to in subsection (6), (a) any member of a membership corporation, or (b) any person in respect to a charitable corporation, may upon application require such corporation or its agent to furnish within ten days from the receipt of the affidavit a list (in this section referred to as the "basic list") made up to a date not more than ten days before the date of receipt of the affidavit setting out the names of the members of the corporation, and the address of each member as shown on the records of the corporation.
Supplemental lists	(4) A person requiring a corporation to supply a basic list may, if he states in the affidavit referred to in subsection (3) that he requires supplemental lists, require the corporation upon payment of a reasonable fee to furnish supplemental lists setting out any changes from the basic list in the names or addresses of the members for each business day following the date the basic list is made up to.
When supplemental lists to be furnished	(5) The corporation shall furnish a supplemental list required under subsection (4) (a) on the date the basic list is furnished, where the information relates to changes that took place prior to that date; and (b) on the business day following the day to which the supplemental list relates, where the information relates to changes that take place after the date the basic list is furnished.
Contents of affidavit	(6) The affidavit required under subsection (3) shall state (a) the name and address of the applicant; (b) the name and address for service of the body corporate if the applicant is a body corporate; and (c) that the basic list and any supplemental lists obtained pursuant to subsection (4) will not be used except as permitted under subsection (8).
Idem	(7) If the applicant is a body corporate, the affidavit shall be made by a director or officer of the body corporate.
Use of members list	(8) A list of members obtained under this section shall not be used by any person except in connection with an effort to influence the voting of members of the corporation.
Offence	(9) A person who contravenes this section is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding six months or to both.
Form of records 134	4.04 (1) Records and registers required by this Act to be prepared and maintained may be in a bound or looseleaf form or in a photographic film form, or may be entered or recorded by any system of mechanical or electronic data processing or any other information storage device that is capable of reproducing any required information in intelligible written form within a reasonable time.

(2) A corporation and its agents shall take reasonable precautions to	Precautions
(a) prevent loss or destruction of,	
(b) prevent falsification of entries in, and	
(c) facilitate detection and correction of inaccuracies in	
the records and registers required by this Act to be prepared and	
maintained.	
(3) A person who contravenes this section is guilty of an offence and liable	Offence
on summary conviction to a fine not exceeding five thousand dollars or to	
imprisonment for a term not exceeding six months or to both.	
4.05 An instrument or agreement executed on behalf of a corporation by	Corporate
a director, an officer or an agent of the corporation is not invalid merely	seal
because a corporate seal is not affixed thereto.	135

PART 5.00

CORPORATE FINANCE

Classes of membership 138	5.01 (1) The articles of a corporation may provide for more than one class of membership and, if they so provide, there shall also be set out therein the rights, privileges, restrictions and conditions attaching to the memberships interests of each class.
Class voting	(2) The articles shall provide for at least one class of memberships interests conferring the right to vote at all meetings of members.
Number of members	(3) Unless the articles of a corporation otherwise provide, there is no limit on the number of members of a corporation.
Admission to membership 139	5.02 (1) Subject to subsection (2), persons may be admitted to membership in a corporation by resolution of the board of directors, but the articles of a corporation may provide that such resolution is not effective until it has been confirmed by the members in a general meeting.
Honorary members	(2) The by-laws of a corporation may provide for the admission of honorary members.
Membership cards and certificates 139	(3) A corporation may issue membership cards or certificates to evidence membership.
Particulars of Class	(4) If the articles provide for more than one class of members any card or certificate evidencing membership shall state legibly on the card or certificate the rights, privileges, restrictions and conditions of the membership interests of each class.
Separate text	(5) Notwithstanding subsection (4), a membership card or certificate may state that the class of membership interests it represents is subject to rights, privileges, restrictions and conditions and that the corporation shall furnish to a member on demand and without charge a full copy of the text of the rights, privileges, restrictions and conditions of each class of membership interests authorized to be issued.
Corporation memberships, when transferable 140	5.03 Unless the articles of a corporation otherwise provide, the interest of a member in the corporation is not transferable and ceases to exist when the member dies or when the member ceases to be a member by resignation or otherwise in accordance with the articles or by-laws of the corporation.
Issue of Securities 142	5.04 (1) Securities of a corporation may be issued at such times and to such persons and for such consideration as the directors acting in good faith and in the best interests of the corporations may determine.
Consideration	(2) A security of a corporation shall not be issued until it is fully paid, and a security is not fully paid until the corporation has received all the consideration therefor in money, or in property or past services that is the fair equivalent of the money that the corporation would have received if the security had been issued for money.
Consideration other than money	(3) In determining whether property or past services is the fair equivalent of a money consideration the directors may take into account reasonable charges and expenses of organization and re-organization and payments for property and past services reasonably expected to benefit the corporation.

(4) For the purposes of this section, “property” does not include a promissory note.	Property
5.05 (1) Debt obligations issued by a corporation and purchased, redeemed or otherwise acquired by it may be cancelled or reissued, subject to any applicable trust indenture or other agreement.	Acquisition of debt obligations 143
(2) Debt obligations issued by a corporation and purchased or otherwise acquired by it may be pledged or hypothecated to secure any debt of the corporation, and any such pledge or hypothecation is not a cancellation of the debt obligations.	Pledge
5.06 A corporation shall not, directly or indirectly, make a loan to or guarantee a loan for a member, director or officer, or an associate of any such person.	Prohibited loans and guarantees 144, 145
5.07 A charitable corporation owns absolutely any assets consisting of funds or other property of any kind that may be transferred to or otherwise vested in the corporation and does not hold any assets in trust unless such assets have been transferred to the corporation expressly in trust for a specific purpose or purposes.	Ownership of property of charitable corporation 146-149
5.08 (1) Subject to section 5.09, and subject to the limitations contained in any gift, devise or bequest, unless the articles otherwise provide, a charitable corporation may invest its funds only in securities in which trustees are authorized to invest trust moneys by the laws of the province in which the registered office of the corporation is located.	Investments by charitable corporations 150
(2) Subject to section 5.09, and subject to the limitations contained in any gift, devise or bequest, unless the articles or by-laws otherwise provide, a membership corporation may invest its funds as its directors shall deem advisable.	Investments by membership corporations 151
5.09 A corporation shall be carried on for a non-pecuniary purpose or purposes and any profits or other accretions to the corporation shall be used in furthering its non-pecuniary purpose or purposes, and no part of the assets, income or profit of the corporation shall be distributable to, or enure to the benefit of the members or directors except to the extent permitted under sections 5.10, 9.21, 14.09, 14.17, 17.19, 17.22, 19.04 and 19.06 of this Act.	Corporation to be carried on for non-pecuniary purpose 152
5.10 (1) A director may receive reasonable remuneration and expenses for his services to the corporation as a director and a director or member may receive reasonable remuneration and expenses for his services to the corporation in any other capacity, unless the articles of the corporation otherwise provide.	Remuneration of directors and members 153-155
(2) A director may be, subject to section 9.17, or a member may be (a) a party to a contract or proposed contract with the corporation, or (b) a director or officer of or have a material interest in any person that is a party to a contract or proposed contract with the corporation.	Director or member interested in contract with corporation 153
5.11 The members of a corporation are not, as members, liable for any liability, act or default of the corporation.	Member immunity 156

PART 6.00
SECURITY CERTIFICATES, REGISTERS
AND TRANSFERS

Application
of Canada
Business
Corporations
Act 157
Exemptions

6.01 (1) Part VI of the *Canada Business Corporations Act* applies, with the necessary changes in points of detail, to corporations to which this Act applies.

(2) Notwithstanding subsection (1), the regulations may prescribe for the exemption of corporations from the application of this Part.

PART 7.00

TRUST INDENTURES

7.01 Part VII of the *Canada Business Corporations Act* applies, with the necessary changes in points of detail, to the corporations to which this Act applies.

Application
of Canada
Business
Corporations
Act
158

PART 8.00

RECEIVERS AND RECEIVER-MANAGERS

Application
of Canada
Business
Corporations
Act
159

8.01 Part VIII of the *Canada Business Corporations Act* applies, with the necessary changes in points of detail, to corporations to which this Act applies.

PART 9.00

DIRECTORS AND OFFICERS

<p>9.01 (1) Subject to any unanimous member agreement, the affairs of a corporation shall be managed by the directors.</p> <p>(2) A charitable corporation which solicits money or property from the public for the purpose of carrying on its non-pecuniary purpose or purposes shall have not fewer than three directors, at least two of whom are not officers or employees of the corporation or its affiliates.</p>	<p>Power to manage 160-162 Number of directors 162, 310</p>
<p>9.02 (1) Unless the articles, by-laws, or a unanimous member agreement otherwise provide, the directors may, by resolution, make, amend or repeal any by-laws that regulate the affairs of the corporation.</p> <p>(2) Without restricting the generality of the foregoing, unless the articles, by-laws, or a unanimous member agreement otherwise provide, the directors may adopt, amend or repeal any by-laws to regulate</p> <ul style="list-style-type: none"> (a) the admission of persons and unincorporated associations as members and as honorary members and the qualification of and the conditions of membership; (b) the fees and dues of members; (c) the issue of membership cards and certificates; (d) the suspension and termination of membership by the corporation and by the member; (e) the transfer of memberships, if transferable; (f) the qualification of the directors and the <i>ex officio</i> directors, if any; (g) the time for and the manner of election of directors; (h) the appointment, functions, duties and removal of agents, officers and employees of the corporation and the security, if any, to be given by them to it; (i) the time and place and the notice to be given for the holding of meetings of the members and of the board of directors, the quorum at members' meetings, the requirements as to proxies, and the procedure in all things at meetings of members and at meetings of the board of directors; 	<p>By-laws 141, 164-166</p> <p>Idem 165-167</p>
<p>(3) The directors shall submit a by-law, or an amendment or a repeal of a by-law, made under subsections (1) or (2) to the members at the next meeting of members, and the members may, by ordinary resolution, confirm, reject or amend the by-law, amendment or repeal.</p>	<p>Members approval 165</p>
<p>(4) A by-law, or an amendment or a repeal of a by-law, is effective from the date of the resolution of the directors under subsections (1) or (2) until it is confirmed, confirmed as amended or rejected by the members under subsection (3) or until it ceases to be effective under subsection (5).</p>	<p>Effective date 165, 166</p>
<p>(5) When a by-law, an amendment or a repeal is rejected by the members, or if the directors do not submit a by-law, an amendment or a repeal to the members as required under subsection (3), the by-law, amendment or repeal ceases to be effective and no subsequent resolution of the directors to make, amend or repeal a by-law having substantially the same purpose or effect is effective until it is confirmed or confirmed as amended by the members.</p>	<p>Idem 166</p>

Member proposal 165 By-laws by regulation 168	<p>(6) A member may, in accordance with section 11.06, make a proposal to make, amend or repeal a by-law.</p> <p>(7) The regulations may prescribe by-laws to regulate any of the affairs of corporations for which by-laws have not been adopted under this section or section 11.06.</p>
Organization meeting 169, 170	<p>9.03 (1) After issue of the certificate of incorporation, a meeting of the first directors of the corporation shall be held at which the first directors may</p> <ul style="list-style-type: none"> (a) make by-laws; (b) adopt forms of security certificates and corporate records; (c) authorize the issue of certificates and cards to members; (d) appoint officers; (e) appoint an auditor to hold office until the first annual meeting of members; (f) make banking arrangements; and (g) transact any other business. <p>(2) An incorporator or a first director may call a meeting of the first directors by giving not less than five days' notice thereof by mail to each first director, stating the time and place of the meeting.</p> <p>(3) A first director may waive notice of a meeting of the first directors.</p> <p>(4) If there are more than two first directors, a majority of the directors constitutes a quorum at a meeting of the first directors.</p> <p>(5) A first director has all the rights, powers and duties of a director.</p>
Calling meeting	
Waiver of notice	
Quorum	
Rights and duties	
Qualification of directors 171	<p>9.04 (1) The following persons are disqualified from being a director of a corporation:</p> <ul style="list-style-type: none"> (a) Anyone who is less than eighteen years of age; (b) Anyone who is of unsound mind and has been so found by a court in Canada or elsewhere; (c) A person who is not an individual; or (d) An undischarged bankrupt, unless he has been permitted to be a director by the court by which he was declared bankrupt. <p>(2) Unless the articles otherwise provide, a director of a corporation is not required to be a member of the corporation.</p> <p>(3) A majority of the first directors and a majority of the directors of a charitable corporation which solicits money or property from the public for the purpose of carrying on its non-pecuniary purpose or purposes, must be resident Canadians.</p>
Further qualifications 172 Residency 173-177	
First directors 178, 179	<p>9.05 (1) At the time of sending or delivering articles of incorporation, the incorporators shall send or deliver to the Registrar a notice in prescribed form showing the name, address and occupation of each first director of the corporation and each director so named holds office until the first meeting of members.</p> <p>(2) Subject to paragraph 9.06(b), members of a corporation shall, by ordinary resolution, at the first meeting of members and at each succeeding annual meeting, elect directors to hold office for a term expiring not later than the close of the third annual meeting of members following the election.</p>
Election of directors 180	

(3) It is not necessary that all directors elected at a meeting of members hold office for the same term.

(4) A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of members following his election.

(5) Notwithstanding subsections (1), (2) and (4), if directors are not elected at a meeting of members the incumbent directors continue in office until their successors are elected.

(6) If a meeting of members fails to elect the number or the minimum number of directors required by the articles by reason of the disqualification, incapacity or death of any candidates, the directors elected at that meeting may exercise all the powers of the directors if the number of directors so elected constitutes a quorum.

Staggered
terms
180
No stated
terms
180
Incumbent
directors

Vacancy
among
candidates
181

9.06 Where the articles provide for cumulative voting,

- (a) the articles shall require a fixed number and not a minimum and maximum number of directors;
- (b) each member entitled to vote at an election of directors has the right to cast a number of votes equal to the number of votes attached to his membership interest in the corporation multiplied by the number of directors to be elected, and he may cast all such votes in favour of one candidate or distribute them among the candidates in any manner;
- (c) a separate vote of members shall be taken with respect to each candidate nominated for director unless a resolution is passed unanimously permitting two or more persons to be elected by a single resolution;
- (d) if a member has voted for more than one candidate without specifying the distribution of his votes among the candidates, he is deemed to have distributed his votes equally among the candidates for whom he voted;
- (e) if the number of candidates nominated for director exceeds the number of positions to be filled, the candidates who receive the least number of votes shall be eliminated until the number of candidates remaining equals the number of positions to be filled;
- (f) each director ceases to hold office at the close of the first annual meeting of members following his election;
- (g) a director may not be removed from office if the vote cast against his removal would be sufficient to elect him if such votes could be voted cumulatively at an election at which the same total number of votes were cast and the number of directors required by the articles were then being elected; and
- (h) the number of directors required by the articles may not be decreased if the votes cast against the motion to decrease would be sufficient to elect a director and such votes could be voted cumulatively at an election at which the same total number of votes were cast and the number of directors required by the articles were then being elected.

Cumulative
voting
182-185,
188, 194

9.07 (1) A director of a corporation ceases to hold office when

- (a) he dies or resigns;
- (b) he is removed in accordance with section 9.08; or
- (c) he becomes disqualified under section 9.04.

Ceasing to
hold office
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Effective date of resignation	(2) A resignation of a director becomes effective at the time a written resignation is delivered to the corporation, or at the time specified in the resignation, whichever is later.
Removal of directors 187, 188 Exception 189	<p>9.08 (1) The members of a corporation may by ordinary resolution at a special meeting remove any director or directors from office.</p> <p>(2) Where the members of any class of members have an exclusive right to elect one or more directors, a director so elected may only be removed by an ordinary resolution at a meeting of that class.</p> <p>(3) Subject to paragraphs 9.06(b) to (e), a vacancy created by the removal of a director may be filled at the meeting at which the director is removed or, if not so filled, may be filled under section 9.10.</p>
Vacancy 187	
Attendance at meeting 189 Statement of director 189	<p>9.09 (1) A director of a corporation is entitled to receive notice of and to attend and be heard at every meeting of members.</p> <p>(2) A director who</p> <ul style="list-style-type: none"> (a) resigns; (b) receives a notice or otherwise learns of a meeting of members called for the purpose of removing him from office; or (c) receives a notice or otherwise learns of a meeting of directors or members at which another person is to be appointed or elected to fill the office of director, whether because of the resignation or removal of the incumbent director or because his term of office has expired or is about to expire, <p>is entitled to submit to the corporation a written statement giving the reasons for his resignation or the reasons why he opposes any proposed action or resolution.</p> <p>(3) The corporation shall forthwith send or deliver a copy of the statement referred to in subsection (2) to every member entitled to receive notice of any meeting referred to in subsection (1) and to the Registrar.</p> <p>(4) No corporation or person acting on its behalf incurs any liability by reason only of circulating a director's statement in compliance with subsection (3).</p>
Circulating statement 189	
Immunity 189	
Filling Vacancy 186, 190, 191	<p>9.10 (1) Subject to subsections (3) and (4), a quorum of directors may fill a vacancy among the directors, except a vacancy resulting from an increase in the number or minimum number of directors or from a failure to elect the number or minimum number of directors required by the articles.</p> <p>(2) If there is not a quorum of directors, or if there has been a failure to elect the number or minimum number of directors required by the articles, the directors then in office shall forthwith call a special meeting of members to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any member.</p> <p>(3) Where the members of any class of members of a corporation have an exclusive right to elect one or more directors and a vacancy occurs among those directors,</p> <ul style="list-style-type: none"> (a) subject to subsection (4), the remaining directors or director elected by that class may fill the vacancy; or
Calling meeting 190, 191	
Class director 190, 191	

(b) if there are no such remaining directors any member of that class of members may call a meeting of the members thereof for the purpose of filling the vacancy.	
(4) The articles may provide that a vacancy among the directors shall only be filled by a vote of the members, or by a vote of the members of any class of members having an exclusive right to elect one or more directors if the vacancy occurs among the directors elected by that class.	Members filling vacancy 190, 192
(5) A director appointed or elected to fill a vacancy holds office for the unexpired term of his predecessor.	Unexpired term 192
9.11 The members of a corporation may amend the articles to increase or, subject to paragraph 9.06(h), to decrease the number of directors, or the minimum or maximum number of directors, but no decrease shall shorten the term of an incumbent director.	Number of directors 190, 193, 194
9.12 (1) Within fifteen days after a change is made among its directors, a corporation shall send or deliver to the Registrar a notice in prescribed form setting out the change.	Notice of change of directors 195
(2) Any interested person, or the Registrar, may apply to a court for an order to require a corporation to comply with subsection (1), and the court may so order and make any further order it thinks fit.	Application to court
9.13 (1) Unless the articles or by-laws otherwise provide, the directors may meet at any place, and upon such notice as the by-laws require.	Meeting of directors 196
(2) Subject to the articles or by-laws, a majority of the number of directors or minimum number of directors required by the articles constitutes a quorum at any meeting of directors.	Quorum 196
(3) Directors of a charitable corporation which solicits money or property from the public for the purpose of carrying on its non-pecuniary purpose or purposes, shall not transact business at a meeting of directors unless a majority of the quorum of directors present are resident Canadians.	Canadian majority
(4) A notice of a meeting of directors shall specify any matter referred to in subsection 9.14(3) that is to be dealt with at the meeting and, unless the by-laws otherwise provide, shall specify the purpose of or the business to be transacted at the meeting.	Notice of meeting
(5) A director may in any manner waive notice of a meeting of directors; and attendance of a director at a meeting of directors is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.	Waiver of notice 196
(6) Notice of an adjourned meeting of directors is not required to be given if the time and place of the adjourned meeting is announced at the original meeting.	Adjournment
(7) Where a corporation has only one director that director may constitute a meeting.	One director meeting
(8) Subject to the articles and by-laws a director may, if all the directors consent, participate in a meeting of directors or of a committee of directors by means of such telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed for the purposes of this Act to be present at that meeting.	Participation by telephone 196

Delegation 197	9.14 (1) Directors of a corporation may appoint from their number a managing director or a committee of directors and delegate to such managing director or committee any of the powers of the directors.
Canadian majority	(2) If the directors of a charitable corporation which solicits money or property from the public for the purpose of carrying on its non-pecuniary purpose or purposes appoint a committee of directors, a majority of the members of the committee must be resident Canadians.
Limits on authority 198	(3) Notwithstanding subsection (1), no managing director and no committee of directors has authority to <ul style="list-style-type: none"> (a) submit to the members any question or matter requiring the approval of the members; (b) fill a vacancy among the directors, on a committee of directors, or in the office of auditor; (c) appoint, reappoint, or dismiss any director or officer of the corporation; (d) issue securities; (e) approve any financial statements to be sent to members or placed before any meeting of members; or (f) adopt, amend or repeal by-laws.
Directors liability 199	(4) The appointment of a managing director or committee of directors does not relieve the directors of a corporation from any liability imposed by law.
Resolution in lieu of meeting 200	9.15 (1) A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors, is as valid as if it had been passed at a meeting of directors or committee of directors.
Filing resolution	(2) A copy of every resolution referred to in subsection (1) shall be kept with the minutes of the proceedings of the directors or committee of directors.
Directors liability 201	9.16 (1) Directors of a corporation who vote for or consent to a resolution authorizing the issue of a security under section 5.04 for a consideration other than money are jointly and severally liable to the corporation to make good any amount by which the consideration received is less than the fair equivalent of the money that the corporation would have received if the security had been issued for money.
Further directors liabilities 201	(2) Directors of a corporation who vote for or consent to a resolution authorizing <ul style="list-style-type: none"> (a) a loan, guarantee or financial assistance contrary to section 5.06; (b) a payment to a director or member contrary to section 5.09; (c) a payment of an indemnity contrary to section 9.21; or (d) a payment contrary to section 14.17 or 19.04, are jointly and severally liable to restore to the corporation any amounts so distributed or paid and not otherwise recovered by the corporation.
Contribution 202	(3) A director who has satisfied a judgment rendered under this section is entitled to contribution from the other directors who voted for or consented to the unlawful act upon which the judgment was founded.
Recovery 202	(4) A director liable under subsection (2) is entitled to apply to a court for an order compelling a member or other recipient to pay or deliver to the director any money or property that was paid or distributed to the member or other recipient contrary to section 5.06, 5.09, 9.21, 14.17 or 19.04.

<p>(5) In connection with an application under subsection (4) a court may, if it is satisfied that it is equitable to do so,</p> <p>(a) order a member or other recipient to pay or deliver to a director any money or property that was paid or distributed to the member or other recipient contrary to section 5.06, 5.09, 9.21, 14, 17 or 19.04; or</p> <p>(b) make any further order it thinks fit.</p>	Order of Court 202
<p>9.17 (1) A director of a corporation who</p> <p>(a) is a party to a material contract or proposed material contract with the corporation, or</p> <p>(b) is a director or officer of or has a material interest in any person who is a party to a material contract or proposed material contract with the corporation,</p> <p>shall disclose in writing or have entered in the minutes the nature and extent of his interest.</p> <p>(2) The disclosure required by subsection (1) shall be made</p> <p>(a) at the meeting at which a proposed contract is first considered;</p> <p>(b) if the director was not then interested in a proposed contract, at the first meeting after he becomes so interested; or</p> <p>(c) if the director becomes interested after a contract is made, at the first meeting held after the director becomes so interested.</p> <p>(3) If a contract or proposed contract is one that, in the ordinary course of carrying on the corporation's non-pecuniary purpose or purposes, would not require approval by the directors or members, a director shall disclose in writing the nature and extent of his interest at the first meeting held after the director becomes aware of the contract or proposed contract.</p> <p>(4) A director referred to in subsection (1) is liable to account for any profit made on the contract by the director or by a person in which the director has a material interest unless</p> <p>(a) he disclosed his interest in accordance with subsection (2), (3) or (6);</p> <p>(b) after such disclosure the contract was approved by the directors or the members; and</p> <p>(c) the contract was reasonable and fair to the corporation at the time it was approved.</p> <p>(5) A director referred to in subsection (1) shall not vote on any resolution to approve the contract unless the contract is</p> <p>(a) an arrangement by way of security for money lent to or obligations undertaken by him for the benefit of the corporation; or</p> <p>(b) one relating primarily to his remuneration as a director, officer or employee of the corporation.</p> <p>(6) For the purposes of this section, a general notice to the directors by a director, declaring that he is a director or officer of or has a material interest in a body corporate or business firm and is to be regarded as interested in any contract made therewith, is a sufficient declaration of interest in relation to any contract so made.</p> <p>(7) A contract is not void by reason only of the failure of a director to comply with this section, but a court may, upon the application of the corporation or a member, set aside a contract in respect of which a director has failed to comply with this section, and may make any further order it thinks fit.</p>	<p>Disclosure of interested director contract 203-206</p> <p>Time of disclosure 207</p> <p>Idem 207</p> <p>Accounting for profits</p> <p>Quorum and voting 208</p> <p>Continuing disclosure 209</p> <p>Application to court 210</p>

Officers
211, 212

9.18 Subject to the articles, the by-laws or any unanimous member agreement,

- (a) the directors may designate the offices of the corporation, appoint as officers persons of full capacity, specify their duties and delegate to them any powers that the directors may lawfully delegate;
- (b) a director or member may be appointed to any office of the corporation; and
- (c) two or more offices of the corporation may be held by the same person.

Duty of
care
213-218

9.19 (1) Every director and officer of a corporation in exercising his powers and discharging his duties shall

- (a) act honestly and in good faith with a view to the best interests of the corporation; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Duty to
comply

(2) Every director and officer of a corporation shall comply with this Act, the regulations, articles, by-laws and any unanimous member agreement.

No exculpation

(3) No provision in a contract, the articles, the by-laws or a resolution relieves a director or officer from the duty to act in accordance with this Act or the regulations or relieves him from liability for a breach thereof.

Class
director

(4) A director who is elected or appointed as a representative of any class of members may give special but not exclusive consideration to the interests of those members.

Dissent
219

9.20 (1) A director who is present at a meeting of directors is deemed to have consented to any resolution passed thereat unless

- (a) he requests that his dissent be or his dissent is entered in the minutes of the meeting;
- (b) he sends or delivers his written dissent to the secretary of the meeting before its adjournment; or
- (c) he sends his dissent by registered mail to or delivers it to the registered office of the corporation immediately after the adjournment of the meeting.

Loss of right
to dissent
219

(2) A director who votes for or consents to a resolution is not entitled to dissent under subsection (1).

Dissent of
absent
director

(3) A director who was not present at a meeting at which a resolution was passed is deemed to have consented thereto unless within seven days after he becomes aware of the resolution he

- (a) causes his dissent to be placed with the minutes of the meeting; or
- (b) sends his dissent by registered mail to or delivers it to the registered office of the corporation.

Reliance on
statements

(4) A director is not liable under section 9.16 or 9.19 if he relies in good faith upon

- (a) financial statements of the corporation represented to him by an officer of the corporation to be correct or stated in a written report of the auditor of the corporation fairly to reflect the financial condition of the corporation; or
- (b) a report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by him.

<p>9.21 (1) Except in respect of an action by or on behalf of the corporation or body corporate to procure a judgment in its favour, a corporation may indemnify a director or officer of the corporation, a former director or officer of the corporation or a person who acts or acted at the corporation's request as a director or officer of a body corporate of which it is or was a member or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of such corporation or body corporate, if</p> <p>(a) the director or officer acted honestly and in good faith with a view to the best interests of the corporation; and</p> <p>(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.</p>	<p>Indemnification 220-222</p>
<p>(2) A corporation may with the approval of a court indemnify a person referred to in subsection (1) in respect of an action by or on behalf of the corporation or body corporate to procure a judgment in its favour, to which he is made a party by reason of being or having been a director or an officer of the corporation or body corporate, against all costs, charges and expenses reasonably incurred by him in connection with such action if he fulfils the conditions set out in paragraphs (1)(a) and (b).</p>	<p>Indemnification in derivative actions 223</p>
<p>(3) Notwithstanding anything in this section, a corporation shall indemnify any person referred to in subsection (1) who has been substantially successful in the defence of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the corporation or body corporate against all costs, charges and expenses reasonably incurred by him in respect of such action or proceeding.</p>	<p>Right to indemnify 224</p>
<p>(4) A corporation may purchase and maintain insurance for the benefit of any person referred to in this section against any liability incurred by him</p> <p>(a) under paragraph 9.19(1)(b) in his capacity as a director or officer of the corporation; and</p> <p>(b) under any other law in respect of a breach of fiduciary duty in his capacity as a director or officer of another body corporate,</p> <p>whether or not the corporation could indemnify him against such liability under this section.</p>	<p>Directors' and officers' insurance 225-227</p>
<p>(5) A corporation, or a person referred to in subsection (1) may apply to a court for an order approving an indemnity under this section and the court may so order and make any further order it thinks fit.</p>	<p>Application to court</p>
<p>(6) An applicant under subsection (5) shall give the Registrar not less than ten days notice of the application and the Registrar is entitled to appear and be heard in person or by counsel.</p>	<p>Notice to Registrar 224</p>
<p>(7) Upon an application under subsection (5) the court may order notice to be given to any interested person and such person is entitled to appear and be heard in person or by counsel.</p>	<p>Other notice 224</p>

9.22 Subject to the articles, the by-laws or any unanimous member agreement, the directors of a corporation may fix the remuneration of the directors, officers and employees of the corporation.

PART 10.00

MEMBERS ASSOCIATIONAL INTERESTS

10.01 (1) Membership in a corporation may be terminated in the manner provided by the articles or the by-laws and upon the termination of membership such fact and date of termination shall be recorded in the register of members maintained in accordance with subsection (1) of section 4.02.

Termination
of membership
167, 228-230

(2) The articles or by-laws shall specify any disciplinary powers and procedures by the corporation in respect to a member.

Disciplinary
powers and
procedures
Rights upon
termination

(3) Unless the articles or the by-laws otherwise provide, all the rights and privileges of a member in the corporation, including any rights in its property, shall cease on termination of membership.

(4) Any of the provisions referred to in subsections (1) and (2) shall include provisions for due notice, and the opportunity for the member to be heard.

Mandatory
provisions

(5) Any termination of membership or exercising of disciplinary powers and procedures by a corporation in respect to a member shall be done only in accordance with the principles of natural justice.

Natural
justice

(6) A member claiming to be aggrieved by a corporation's termination of membership or the exercising of disciplinary powers and procedures may apply to a court under section 19.04.

Application
to court

PART 11.00

MEMBERS

Place of
meetings
231

11.01 (1) Subject to subsection (2), meetings of members of a corporation shall be held at the place within Canada provided in the by-laws or, in the absence of such provision, at the place within Canada that the directors determine.

Meeting
outside
Canada

(2) Notwithstanding subsection (1), a meeting of members of a corporation may be held outside Canada if all the members entitled to vote at the meeting so agree, and a member who attends a meeting of members held outside Canada is deemed to have so agreed except when he attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

Calling
meetings
232

11.02 The directors of a corporation

- (a) shall call an annual meeting of members not later than eighteen months after the corporation comes into existence and subsequently not later than fifteen months after holding the last preceding annual meeting; and
- (b) may at any time call a special meeting of members.

Record date
for notice
of meeting
233

11.03 (1) For the purpose of determining members entitled to receive notice of a meeting of members, the directors may fix in advance a date as the record date for such determination of members, but such record date shall not precede by more than fifty days the meeting for which notice is being given.

No record
date fixed

(2) If no record date is fixed,

- (a) the record date for the determination of members entitled to notice of a meeting of members shall be at the close of business on the day immediately preceding the day on which the notice is given, or, if no notice is given, the day on which the meeting is held; and
- (b) the record date for the determination of members entitled to vote at a meeting of members is the time of taking the vote.

When
record date
fixed

(3) If a record date is fixed, notice thereof shall, not less than fourteen days before the date so fixed, be given by advertisement in a newspaper published or distributed in the place where the corporation has its registered office.

Notice of
meeting
233

11.04 (1) Notice of the time and place of a meeting of members shall be sent or delivered, not less than twenty-one days nor more than fifty days before the meeting,

- (a) to each member entitled to vote at the meeting, at his latest address as shown on the records of the corporation;
- (b) to each director; and
- (c) to the auditor of the corporation.

Exception

(2) A notice of meeting is not required to be sent to members who were not recorded on the records of the corporation on the record date determined under subsection 11.03(1), but failure to receive a notice does not deprive a member of the right to vote at the meeting.

(3) Notwithstanding subsection (1), in the case of a corporation which has more than five hundred members, unless the articles or by-laws otherwise provide, it is sufficient notice of any meeting of the members of the corporation if notice is given by publication at least once a week for two consecutive weeks next preceding the meeting in a newspaper or newspapers circulated in the municipality or municipalities in which the majority of the members of the corporation reside as shown by their addresses on the books of the corporation.	Notice by Publication 234, 235
(4) If a meeting of members is adjourned for less than thirty days in any one adjournment it is not necessary, unless the by-laws otherwise provide, to give notice of the adjourned meeting, other than by announcement at the meeting which is adjourned.	Adjournment 236
(5) If a meeting of members is adjourned for thirty days or more, notice of the adjourned meeting shall be given as for an original meeting.	Notice of adjourned meeting 236
(6) All business transacted at a special meeting of members and all business transacted at an annual meeting of members, except consideration of the financial statements and auditor's report, election of directors and election of the incumbent auditor, is deemed to be special business.	Business 237
(7) Notice of a meeting of members at which special business is to be transacted shall state	Notice of business 237
(a) the nature of that business in sufficient detail to permit the member to form a reasoned judgment thereon; and	
(b) the text of any special resolution to be submitted to the meeting.	
(8) If a proposal within the meaning of subsection (1) of section 11.06 has been received by the corporation at least two days prior to the day of any notice by publication under subsection (3), the proposal shall be included in the notice, unless the articles or by-laws provide that the notice may state that the proposal and any statement of the member provided under subsection 11.06(3) is available to be examined during the usual business hours of the corporation by any member if the corporation is a membership corporation, or by any person if the corporation is a charitable corporation, and extracts may be made therefrom by any such member or person, free of charge.	Notice by publication including reference to proposal 243
11.05 A member and any other person entitled to attend a meeting of members may in any manner waive notice of a meeting of members, and attendance of any such person at a meeting of members is a waiver of notice of the meeting, except where he attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called.	Waiver of notice 238
11.06 (1) A member entitled to vote at a meeting of members may	Member proposal 239-243
(a) submit to the corporation notice of any matter that he proposes to raise at the meeting, in this Act called a "proposal"; and	
(b) discuss at the meeting any matter in respect of which he would have been entitled to submit a proposal.	
(2) A corporation that sends or delivers to members a notice of the time and place of a meeting required by section 11.04 shall set out the proposal in such notice.	Notice of proposal

Supporting statement	(3) If so requested by the member, the corporation that sends or delivers to members a notice of the time and place of a meeting required by section 11.04 shall include in the notice a statement of the member of not more than two hundred words in support of the proposal, and the name and address of the member.
Nominations for director	(4) A proposal may include nominations for the election of directors if the proposal is signed by not less than five per cent of the members of a class of members of the corporation entitled to vote at the meeting to which the proposal is to be presented, but this subsection does not preclude nominations made at a meeting of members.
Exceptions 244, 245	<p>(5) A corporation is not required to comply with subsection (2) and (3) if</p> <ul style="list-style-type: none"> (a) the proposal is submitted to the corporation after a record date has been determined under subsection 11.03(1) or (2); (b) the proposal is not a proper subject for action by members or is a recommendation or request that the directors act in respect of a matter relating to the conduct of the non-pecuniary purpose or purposes of the corporation; (c) it clearly appears that the proposal is submitted by the member primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the corporation or its directors, officers, or security holders, or primarily for the purpose of promoting general economic, political, racial, religious, social or similar causes unrelated to the non-pecuniary purpose or purposes of the corporation; (d) the corporation, at the member's request, included a proposal in a notice relating to a meeting of members held within two years preceding the receipt of such request, and the member failed to present the proposal, in person or by proxy, at the meeting; (e) substantially the same proposal was submitted to members in a notice relating to a meeting of members held within two years preceding the receipt of the member's request, and the proposal was defeated; or (f) the rights conferred by this section are being abused to secure publicity. <p>(6) No corporation or person acting on its behalf incurs any liability by reason only of circulating a proposal or statement in compliance with this section.</p>
Immunity 246	
Notice of refusal 246	(7) If a corporation refuses to include a proposal in a notice of meeting, the corporation shall, within ten days after receiving the proposal, notify the member submitting the proposal of its intention to omit the proposal from the notice of meeting and send or deliver to him a statement of the reasons for the refusal.
Member's application to court 246	(8) Upon the application of a member claiming to be aggrieved by a corporation's refusal under subsection (7), a court may restrain the holding of the meeting to which the proposal is sought to be presented and make any further order it thinks fit.
Corporation's application to court 246	(9) The corporation or any person claiming to be aggrieved by a proposal may apply to a court for an order permitting the corporation to omit the proposal from the notice of meeting, and the court, if it is satisfied that subsection (5) applies, may make such order as it thinks fit.

(10) An applicant under subsection (8) or (9) shall give the Registrar not less than ten days notice of the application and the Registrar is entitled to appear and be heard in person or by counsel.	Registrar entitled to notice 246
11.07 (1) The directors shall prepare forthwith not later than ten days after the record date determined under subsections 11.03(1) or (2) a list of members entitled to receive notice of a meeting, whether or not subsection 11.04(3) is operative, arranged in alphabetical order, and if the members of any class of members have more than one vote, or have no vote, the list of members shall show the number of votes of each member.	Members list 247
(2) A person named in the list prepared under subsection (1) is entitled to one vote or the number of votes for his membership interest shown opposite his name at the meeting to which the list relates, except to the extent that	Effect of list
(a) the person has transferred his membership interest after the record date; and	
(b) the transferee of that membership interest establishes that he is a member and demands that his name be added to the list before the meeting,	
in which case the transferee is entitled to vote his membership interest at the meeting.	
(3) A member may examine the list of members	Examination of list
(a) during usual business hours at the registered office of the corporation; and	
(b) at the meeting of members for which the list was prepared.	
11.08 (1) Unless the by-laws otherwise provide, the members entitled to cast a majority of the total number of votes at a meeting of members present in person or by proxy constitute a quorum.	Quorum 248
(2) If a quorum is present at the opening of a meeting of members, the members present may, unless the by-laws otherwise provide, proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting.	Opening quorum sufficient 250
(3) If a quorum is not present at the opening of a meeting of members, the members present may adjourn the meeting to a fixed time and place but may not transact any other business.	Adjournment 249
(4) If a corporation has only one member, or only one member of any class of members, that member present in person or by proxy constitutes a meeting.	One member meeting 248
11.09 (1) Unless the articles otherwise provide, each member of a corporation is entitled to one vote at a meeting of members.	Right to vote 251
(2) If a body corporate or association is a member of a corporation the corporation shall recognize any individual authorized in writing by the directors or governing body of the body corporate or association to represent it at any meeting of members of the corporation.	Representative 252
(3) An individual authorized under subsection (2) may exercise on behalf of the body corporate or association he represents all the powers it could exercise if it were an individual member.	Powers of representative 252

Voting 253	11.10 (1) Unless the by-laws otherwise provide, voting at a meeting of members shall be by show of hands except where a ballot is demanded by a member or proxyholder entitled to vote at the meeting.
Ballot 254	(2) A member or proxyholder may demand a ballot either before or after any vote by show of hands.
Resolution in lieu of meeting 255	11.11 (1) Except where a written statement is submitted under subsections 9.09(2) or 13.14(4) by a director or auditor, (a) a resolution in writing signed by all the members entitled to vote on that resolution at a meeting of members is as valid as if it had been passed at a meeting of the members; and (b) a resolution in writing dealing with all matters required by this Act to be dealt with at a meeting of members, and signed by all the members entitled to vote at that meeting, satisfies all the requirements of this Act relating to meetings of members.
Filing resolution	(2) A copy of every resolution referred to in subsection (1) shall be kept with the minutes of the meetings of members.
Requisition of meeting 242,256	11.12 (1) Not less than five per cent of the members of a corporation whose membership interests carry the right to vote at a meeting sought to be held may requisition the directors to call a meeting of members for the purpose stated in the requisition.
Form	(2) The requisition referred to in subsection (1), which may consist of several documents of like form each signed by one or more requisitionists, shall state the purposes of the meeting and shall be sent or delivered to the registered office of the corporation.
Directors calling meeting	(3) Upon receiving the requisition referred to in subsection (1), the directors shall forthwith call a meeting of members for the purposes stated in the requisition, unless (a) a record date has been fixed under subsection 11.03(1) and notice thereof has been given under subsection (3) of that section; (b) the directors have called a meeting of members and have given notice thereof under section 11.04; and (c) the purpose of the meeting as stated in the requisition includes matters described in paragraphs 11.06(5) (b) to (f).
Requisitionists calling meeting	(4) If the directors do not within thirty days after receiving the requisition referred to in subsection (1) call a meeting, any member who signed the requisition may call the meeting.
Procedure	(5) A meeting called under this section shall be called as nearly as possible in the manner meetings are to be called pursuant to the by-laws, this Part and Part 12.00.
Reimbursement 257	(6) Unless the members otherwise resolve at a meeting called under subsection (4), the corporation shall reimburse the members the expenses reasonably incurred by them in requisitioning, calling and holding the meeting.
Meeting called by court 258	11.13 (1) If for any reason it is impracticable to call a meeting of members of a corporation in the manner in which meetings of those members may be called, or to conduct the meeting in the manner prescribed by the by-laws and this Act, or if for any other reason a court thinks fit, the court, upon

the application of a director, a member entitled to vote at the meeting, or the Registrar, may order a meeting to be called, held and conducted in such manner as the court directs.

(2) Without restricting the generality of subsection (1), the court may order that the quorum required by the by-laws or this Act be varied or dispensed with at a meeting called, held and conducted pursuant to this section.

Varying
quorum
258

(3) A meeting called, held and conducted pursuant to this section is for all purposes a meeting of members of the corporation duly called, held and conducted.

Valid
meeting

11.14 (1) A corporation or a member or director may apply to a court to determine any controversy with respect to an election or appointment of a director or auditor of the corporation.

Court
review of
election
259

(2) Upon an application under this section, the court may

- (a) restrain from acting a director or auditor whose election or appointment is challenged pending determination of the dispute;
- (b) declare the result of the disputed election or appointment;
- (c) order a new election or appointment, and include in the order directions for the management of the activities and affairs of the corporation until a new election is held or appointment made;
- (d) determine the respective voting rights of members and of persons claiming to have membership interests; and,
- (e) make any further order it thinks fit.

Powers
of court
259

11.15 (1) A written agreement between two or more members may provide that in exercising voting rights the membership interests held by them shall be voted as therein provided.

Pooling
agreement
260

(2) An otherwise lawful written agreement among all the members of a corporation, or among all the members and a person who is not a member, that restricts, in whole or in part, the powers of the directors to manage the activities and affairs of the corporation is valid.

Unanimous
member
agreement

(3) A transferee of the interest of a member with notice it is subject to a unanimous member agreement is deemed to be a party to the agreement.

Constructive
party
262

(4) A member who is a party to a unanimous member agreement has all the rights, powers and duties of a director of the corporation to which the agreement relates to the extent that the agreement restricts the discretion or powers of the directors to manage the activities and affairs of the corporation, and the directors are thereby relieved of their duties to the same extent.

Rights of
member
261

PART 12.00

PROXIES

Interpretation
263, 264
"form of proxy"

"proxy"

Appointing
proxyholder
263, 264

Execution of
proxy
265
Validity of
proxy
266
Contents of
form of proxy
267

Further
contents
265

Revocation of
proxy
265

Deposit of
proxies
265

Exception
264

Mail
ballot
268

12.01 In this Part,

"form of proxy" means a written or printed form that, upon completion and execution by or on behalf of a member, becomes a proxy;

"proxy" means a completed and executed form of proxy by means of which a member appoints a proxyholder to attend and act on his behalf at a meeting of members.

12.02 (1) Subject to subsection (8) and section 16.04, a member entitled to vote at a meeting of members may by means of a proxy appoint one or more proxyholders who are not required to be members, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy.

(2) A proxy shall be executed by the member or by his attorney authorized in writing.

(3) A proxy is valid only at the meeting in respect of which it is given or any adjournment thereof.

(4) A form of proxy shall

- (a) indicate the meeting at which the proxy is to be used;
- (b) name and appoint a proxyholder; and
- (c) contain the date thereof or provide a blank space for dating the form of proxy and state that if the form of proxy is not dated it is deemed to bear the date of mailing of the form of proxy.

(5) A form of proxy may contain

- (a) a revocation of a former proxy; or
- (b) limitations or instructions as to the manner of voting the membership interest in respect of which the proxy is given or that may be necessary to comply with the laws of any jurisdiction.

(6) A member may revoke a proxy

- (a) by depositing an instrument in writing executed by him or by his attorney authorized in writing
 - (i) at the registered office of the corporation at any time up to and including the last business day preceding the day of the meeting, or an adjournment thereof, at which the proxy is to be used; or
 - (ii) with the chairman of the meeting on the day of the meeting or an adjournment thereof; or
- (b) in any other manner permitted by law.

(7) The directors may specify in a notice calling a meeting of members a time not exceeding forty-eight hours, excluding Saturdays and holidays, preceding the meeting or an adjournment thereof before which time proxies to be used at the meeting must be deposited with the corporation or its agent.

(8) The articles of a corporation may provide that a proxyholder is required to be a member of the corporation, or that a member entitled to vote at a meeting of members may not appoint a proxyholder.

12.03 The by-laws of a corporation may provide that members of the corporation may vote by mail ballot to decide any issue in respect of which the members are entitled to vote.

PART 13.00

FINANCIAL DISCLOSURE

13.01 (1) Subject to section 13.02, the directors of a corporation shall place before the members at every annual meeting

Annual
financial
statements
295

- (a) comparative financial statements as prescribed relating separately to
 - (i) the period that began on the date the corporation came into existence and ended not more than six months before the annual meeting or, if the corporation has completed a financial year, the period that began immediately after the end of the last completed financial year and ended not more than six months before the annual meeting, and
 - (ii) the immediately preceding financial year;
- (b) the report of the auditor, if any; and
- (c) any further information respecting the financial position of the corporation and the results of its operations required by the articles, the by-laws or any unanimous member agreement.

(2) Notwithstanding paragraph (1)(a), the financial statements referred to in subparagraph (1)(a)(ii) may be omitted if the reason for the omission is set out in the financial statements, or in a note thereto, to be placed before the members at an annual meeting.

Exception
295

13.02 A corporation may apply to the Registrar for an order authorizing the corporation to omit from its financial statement any item prescribed, or to dispense with the publication of any particular financial statement prescribed, and the Registrar may, if he is satisfied that disclosure of the information therein contained would be detrimental to the corporation, permit such omission on such reasonable conditions as he thinks fit.

Exemption
296

13.03 (1) A holding corporation shall keep at its registered office copies of the financial statements of each subsidiary body corporate of the holding corporation.

Subsidiary
statements
297

(2) Members of a membership corporation and their agents and legal representatives may upon request therefor examine the statements referred to in subsection (1) during the usual business hours of the corporation, and may make extracts therefrom, free of charge.

Examination of
statements of a
membership cor-
poration
297

(3) Any person may upon request therefor examine the statements referred to in subsection (1) of a charitable corporation during the usual business hours of the corporation, and may make extracts therefrom, free of charge.

Examination of
statements of a
charitable cor-
poration
297

(4) A corporation may, within fifteen days of a request to examine under subsections (2) or (3), apply to a court for an order barring the right of any person to so examine, and the court may, if it is satisfied that such examination would be detrimental to the corporation or a subsidiary body corporate, bar such right and make any further order it thinks fit.

Barring
examination
297

(5) A corporation shall give the Registrar and the person asking to examine under subsections (2) or (3) not less than ten days notice of an application under subsection (4) and the Registrar and such person may appear and be heard in person or by counsel.

Notice to
Registrar
297

Approval of financial statements 298	13.04 (1) Subject to section 13.17, directors of a corporation shall approve the financial statements referred to in section 13.01 and the approval shall be evidenced by the signature of one or more directors.
Condition precedent	(2) A corporation shall not issue, publish or circulate copies of the financial statements referred to in section 13.01 unless the financial statements are (a) approved and signed in accordance with subsection (1); and (b) accompanied by the report of the auditor of the corporation, if any.
Copies to members 299	13.05 (1) Subject to subsection (3), a corporation shall, not less than twenty-one days before each annual meeting or forthwith after the signing of a resolution under paragraph 11.11(1)(b) in lieu of the annual meeting, send or deliver a copy of the documents referred to in section 13.01 to each member at his latest address as shown on the records of the corporation, except to a member who has informed the corporation in writing that he does not want a copy of those documents.
Publication of Notice 300	(2) A membership corporation may, and a charitable corporation shall, publish a notice which shall include the documents referred to in section 13.01 at least once a week for two consecutive weeks next preceding the annual meeting of members in a newspaper or newspapers circulated in the municipality or municipalities in which the majority of the members of the corporation reside as shown by their addresses on the books of the corporation, unless the articles or by-laws provide that the notice may state that the documents referred to in section 13.01 are available to be examined during the usual business hours of the corporation by any member if the corporation is a membership corporation, or by any person if the corporation is a charitable corporation, and any such person may make extracts therefrom, free of charge.
Publication in lieu of sending copies 301	(3) The members of a membership corporation or a charitable corporation with more than five hundred members which complies with subsection (2) may by ordinary resolution resolve to not comply with subsection (1).
Resolution	(4) A resolution under subsection (3) is valid only until the next succeeding annual meeting of members.
Copies to Registrar 302	13.06 (1) A charitable corporation shall, not less than twenty-one days before each annual meeting of members or forthwith after the signing of a resolution under paragraph 11.11(1)(b) in lieu of the annual meeting, send or deliver a copy of the documents referred to in section 13.01 to the Registrar.
Further disclosure	(2) If a corporation referred to in subsection (1) sends to its members or security holders interim financial statements or related documents, the corporation shall forthwith send or deliver copies thereof to the Registrar.
Offence	(3) A corporation that fails to comply with this section is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars.
Qualification of Auditor 303, 304	13.07 (1) A person is disqualified from being an auditor of a corporation if he is not independent of the corporation, its affiliates, or the directors or officers of any such corporation or its affiliates.
Independence	(2) For the purposes of this section, (a) independence is a question of fact; and

<p>(b) a person is deemed not to be independent if he or his business partner</p> <ul style="list-style-type: none"> (i) is a business partner, a director, an officer or an employee of the corporation, of any of its affiliates, or of any director, officer, or employee of any such corporation or its affiliates, (ii) beneficially owns or controls, directly or indirectly, a material interest in the securities of the corporation or any of its affiliates, or (iii) has been a receiver, receiver-manager, liquidator or trustee in bankruptcy of the corporation or any of its affiliates within two years of his proposed appointment as auditor of the corporation. 	
<p>(3) For the purposes of this section a person is not deemed to not be independent simply because he is a member of the corporation.</p>	<p>Members 304</p>
<p>13.08 (1) Subject to section 13.09, members of a corporation shall by ordinary resolution, at the first meeting of members and at each succeeding annual meeting, appoint an auditor to hold office until the close of the next annual meeting.</p>	<p>Appointment of auditor 303, 306</p>
<p>(2) An auditor appointed under section 9.03 is eligible for appointment under subsection (1).</p>	<p>Eligibility</p>
<p>(3) Notwithstanding subsection (1), if an auditor is not appointed at a meeting of members, the incumbent auditor continues in office until his successor is appointed.</p>	<p>Incumbent auditor</p>
<p>(4) The remuneration of the auditor may be fixed by ordinary resolution of the members or, if not so fixed, may be fixed by the directors.</p>	<p>Remuneration</p>
<p>13.09 (1) The members of a membership corporation may resolve not to appoint an auditor.</p>	<p>Dispensing with auditor 303, 305</p>
<p>(2) A resolution under subsection (1) is valid only until the next succeeding annual meeting of members.</p>	<p>Limitation</p>
<p>(3) A resolution under subsection (1) is not valid unless it is consented to by all the members, including members not otherwise entitled to vote.</p>	<p>Unanimous consent</p>
<p>13.10 (1) An auditor of a corporation ceases to hold office when</p> <ul style="list-style-type: none"> (a) he dies or resigns; or (b) he is removed pursuant to section 13.11. 	<p>Ceasing to hold office 303, 306</p>
<p>(2) A resignation of an auditor becomes effective at the time a written resignation is delivered to the corporation, or at the time specified in the resignation, whichever is later.</p>	<p>Effective date of resignation</p>
<p>(3) An auditor who becomes disqualified under section 13.07 shall, subject to subsection (5), resign forthwith after becoming aware of his disqualification.</p>	<p>Duty to resign</p>
<p>(4) An interested person may apply to a court for an order declaring an auditor to be disqualified under section 13.07, and the office of auditor to be vacant.</p>	<p>Court order</p>
<p>(5) An interested person may apply to a court for an order exempting an auditor from disqualification under section 13.07, and the court may, if it is satisfied that an exemption would not unfairly prejudice the members, make an exemption order on such terms as it thinks fit, which order may have retrospective effect.</p>	<p>Exemption order</p>

Removal of auditor 303, 306	13.11 (1) The members of a corporation may by ordinary resolution at a special meeting remove from office the auditor other than an auditor appointed by a court under section 13.13.
Vacancy	(2) A vacancy created by the removal of an auditor may be filled at the meeting at which the auditor is removed or, if not so filled, may be filled under section 13.12.
Filling vacancy 303, 306 Calling meeting	13.12 (1) Subject to subsection (3), the directors shall forthwith fill a vacancy in the office of auditor. (2) If there is not a quorum of directors then in office, the directors then in office shall forthwith call a special meeting of members to fill a vacancy in the office of auditor and, if they fail to call a meeting or if there are no directors, the meeting may be called by any member.
Members filling vacancy Unexpired term	(3) The articles of a corporation may provide that a vacancy in the office of auditor shall only be filled by vote of the members. (4) An auditor appointed to fill a vacancy holds office for the unexpired term of his predecessor.
Court appointed auditor 303, 306	13.13 (1) If a corporation does not have an auditor, the court may, upon the application of a member or the Registrar, appoint and fix the remuneration of an auditor who holds office until an auditor is appointed by the members.
Exception	(2) Subsection (1) does not apply if the members have resolved under section 13.09 not to appoint an auditor.
Right to attend meeting 303, 306 Duty to attend	13.14 (1) The auditor of a corporation is entitled to receive notice of every meeting of members and, at the expense of the corporation, to attend and be heard thereat on matters relating to his duties as auditor. (2) If a director or member of a corporation, whether or not the member is entitled to vote at the meeting, gives written notice, not less than ten days before a meeting of members, to the auditor or a former auditor of the corporation, the auditor or former auditor shall attend the meeting at the expense of the corporation and answer questions relating to his duties as auditor.
Offence	(3) An auditor or former auditor of a corporation who fails without reasonable excuse to comply with subsection (2) is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding six months or to both.
Statement of auditor	(4) An auditor who (a) resigns; (b) receives a notice or otherwise learns of a meeting of members called for the purpose of removing him from office; (c) receives a notice or otherwise learns of a meeting of directors or members at which another person is to be appointed to fill the office of auditor, whether because of the resignation or removal of the incumbent auditor or because his term of office has expired or is about to expire; or (d) receives a notice or otherwise learns of a meeting of members at which a resolution referred to in section 13.09 is to be proposed, is entitled to submit to the corporation a written statement giving the

reasons for his resignation or the reasons why he opposes any proposed action or resolution.	
(5) The corporation shall forthwith send or deliver a copy of the statement referred to in subsection (4) to every member entitled to receive notice of any meeting referred to in subsection (1) and to the Registrar.	Circulating statement
(6) No person shall accept appointment or consent to be appointed as auditor of a corporation if he is replacing an auditor who has resigned, been removed or whose term of office has expired or is about to expire until he has requested and received from that auditor a written statement of the circumstances and the reasons why, in that auditor's opinion, he is to be replaced.	Replacing auditor
(7) Notwithstanding subsection (6), a person otherwise qualified may accept appointment or consent to be appointed as auditor of a corporation if, within fifteen days after making the request referred to in that subsection, he does not receive a reply.	Exception
(8) Unless subsection (7) applies, an appointment as auditor of a corporation of a person who has not complied with subsection (6) is void.	Effect of non-compliance
13.15 (1) An auditor of a corporation shall make the examination that is in his opinion necessary to enable him to report in the prescribed manner on the financial statements required by this Act to be placed before the members, except such financial statements or part thereof that relate to the period referred to in subparagraph 13.01 (1)(a)(ii).	Examination 307
(2) Notwithstanding section 13.16, an auditor of a holding corporation may reasonably rely upon the report of the auditor of a body corporate that is a subsidiary of the holding corporation if the extent of his reliance is disclosed in his report as auditor of the holding corporation.	Reliance on other auditor 308
(3) For the purpose of subsection (2), reasonableness is a question of fact.	Reasonableness 308
13.16 (1) An auditor of a corporation may demand from the directors, officers, employees or agents of the corporation such	Right to information 309
(a) information and explanations, and	
(b) access to records, documents, books, accounts and vouchers of the corporation or any of its subsidiaries as are in his opinion necessary to enable him to make the examination and report required under section 13.15.	
(2) An auditor of a corporation may demand from the directors of the corporation such information and explanations from the directors, officers, employees or agents of any subsidiary of the corporation as are in his opinion necessary to enable him to make the examination and report required under section 13.15.	Idem
13.17 (1) A charitable corporation which solicits money or property from the public for the purpose of carrying on its non-pecuniary purpose or purposes shall, and any other corporation may, have an audit committee composed of not less than three directors of the corporation, a majority of whom are not officers or employees of the corporation or any of its affiliates, and a majority of whom must be resident Canadians.	Audit committee 310
(2) An audit committee shall review the financial statements of the corporation before such financial statements are approved under section 13.04.	Duty of committee

Auditor's attendance	(3) The auditor of a corporation is entitled to receive notice of every meeting of the audit committee and, at the expense of the corporation, to attend and be heard thereat; and, if so requested by a member of the audit committee, shall attend every meeting of the committee held during the term of office of the auditor.
Calling meeting	(4) The auditor of a corporation or a member of the audit committee may call a meeting of the committee.
Notice of errors	(5) The directors of a corporation shall forthwith notify the audit committee and the auditor of any error or mis-statement of which they become aware in a financial statement that the auditor or a former auditor has reported upon.
Error in financial statements	(6) If the auditor or former auditor of a corporation is notified or becomes aware of an error or mis-statement in a financial statement upon which he has reported, and if in his opinion the error or mis-statement is material, he shall inform the directors accordingly.
Duty of directors	(7) When under subsection (6) the auditor or former auditor informs the directors of an error or mis-statement in a financial statement, the directors shall <ul style="list-style-type: none"> (a) prepare and issue revised financial statements; or (b) otherwise inform the members and, if the corporation is a charitable corporation, it shall inform the Registrar in the same manner as it informs the members.
Offence	(8) Directors of a corporation who knowingly fail to comply with subsection (7) are guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding six months or to both.
Qualified privilege (defamation) 311	13.18 Any oral or written statement or report made under this Act by the auditor or former auditor of a corporation has qualified privilege.
Statements to Registrar 278, 312	13.19 Every charitable corporation shall send or deliver to the Registrar statements as prescribed in respect to the activities of the corporation.

PART 14.00

FUNDAMENTAL CHANGES

<p>14.01 (1) Subject to sections 14.03 and 14.04, and subsections (2) and (3), the articles of a corporation may by special resolution be amended to</p> <ul style="list-style-type: none"> (a) change its name; (b) change the place in which its registered office is situated; (c) impose or change any restriction upon the non-pecuniary purpose or purposes that the corporation may carry on; (d) change any maximum number of memberships that the corporation is authorized to issue; (e) create new classes of memberships; (f) change the designation of all or any of its membership interests, and attach, change or cancel any rights, privileges, restrictions and conditions in respect of all or any of its membership interests; (g) increase or decrease the number of directors or the minimum or maximum number of directors, subject to sections 9.06 and 9.11; (h) allow for the transferability of membership interests or add, change or delete restrictions on the transferability of membership interests; (i) change any provision as to how the remaining property of the corporation is to be transferred, conveyed or distributed in the course of liquidation, subject to paragraph 2.02(1)(i) and subsections 17.19(1) and (2); or (j) add, change or delete any provision that is permitted by this Act to be set out in the articles. 	<p>Amendment of articles 319, 320</p>
<p>(2) A charitable corporation may amend its articles only in a way consistent with its continuing to be a charitable corporation for the purposes of this Act.</p>	<p>Exception 320</p>
<p>(3) A charitable corporation which solicits money or property from the public for the purpose of carrying on its non-pecuniary purpose or purposes, and which proposes to amend its articles to impose or change any restriction upon the non-pecuniary purpose or purposes that the corporation may carry on, may do so only with the prior approval of a court having jurisdiction in the place where the corporation has its registered office.</p>	<p>Further exception 321</p>
<p>(4) If a charitable corporation makes an application under subsection (3), the corporation shall give the Registrar twenty-one days notice thereof, and the Registrar is entitled to appear in person or by counsel and to be heard.</p>	<p>Notice to Registrar 322</p>
<p>(5) In connection with an application under subsection (3) the court may make any order it thinks fit and without limiting the generality of the foregoing the court may direct that the corporation use any of its monies or other property for a specific non-pecuniary purpose or purposes.</p>	<p>Court Order 321</p>
<p>14.02 (1) Subject to subsection (2), the directors or any member may in accordance with section 11.06 make a proposal to amend the articles.</p>	<p>Proposal to amend 323</p>
<p>(2) Notice of a meeting of members at which a proposal to amend the articles is to be considered shall set out the proposed amendment and, where a membership corporation and where applicable shall state that a member is entitled to be paid the fair value of his membership interest in</p>	<p>Notice of amendment 323</p>

accordance with section 14.17, but failure to make that statement does not invalidate an amendment.

Class
vote
325-327

14.03 (1) Members of a class are entitled to vote separately as a class upon a proposal to amend the articles to

- (a) increase or decrease any maximum number of authorized membership interests of such class;
- (b) effect an exchange, reclassification or cancellation of all or part of the membership interests of such class;
- (c) cancel or change prejudicially the rights, privileges, restrictions or conditions attached to the membership interests of such class, and, without limiting the generality of the foregoing, that would
 - (i) reduce or cancel a liquidation preference,
 - (ii) cancel or change prejudicially voting or transfer rights;
- (d) increase the rights or privileges of any class of membership interests having rights or privileges equal or superior to the membership interests of such class;
- (e) create a new class of membership interests, or make any class of membership interests having rights or privileges inferior to the membership interests of such class, equal or superior to the membership interests of such class; or
- (f) effect an exchange or create a right of exchange of all or part of the membership interests of another class into the membership interests of such class.

Right to
vote
326
Separate
resolutions
326, 327

(2) Subsection (1) applies whether or not membership interests of a class otherwise carry the right to vote.

(3) A proposed amendment to the articles referred to in subsection (1) is adopted when the members of each class entitled to vote separately thereon as a class have approved such amendment by a special resolution.

Delivery
of articles
328

14.04 After an amendment has been adopted under section 14.01 or 14.03 articles of amendment in prescribed form shall be sent or delivered to the Registrar.

Certificate
of amendment
328

14.05 Upon receipt of articles of amendment, the Registrar shall issue a certificate of amendment in accordance with section 20.10.

Effect of
Certificate
328
Rights
preserved

14.06 (1) An amendment becomes effective on the date shown in the certificate of amendment and the articles are amended accordingly.

(2) No amendment to the articles affects an existing cause of action or claim or liability to prosecution in favour of or against the corporation or its directors or officers, or any civil, criminal or administrative action or proceeding to which a corporation or its directors or officers is a party.

Restated
articles
329
Delivery
of articles

14.07 (1) The directors may at any time, and shall when so directed by the Registrar, restate the articles of incorporation as amended.

(2) Restated articles of incorporation in prescribed form shall be sent or delivered to the Registrar.

Restated
certificate

(3) Upon receipt of restated articles of incorporation, the Registrar shall issue a restated certificate of incorporation in accordance with section 20.10.

(4) Restated articles of incorporation are effective on the date shown in the restated certificate of incorporation and supersede the original articles of incorporation and all amendments thereto.	Effect of certificate
<p>14.08 (1) Two or more corporations, including holding and subsidiary corporations, may amalgamate and continue as one corporation.</p> <p>(2) If one of the amalgamating corporations is a charitable corporation, the continuing corporation upon amalgamation shall be a charitable corporation.</p>	<p>Amalgamation 330</p> <p>Charitable corporation 331</p>
<p>14.09 (1) Each corporation proposing to amalgamate shall enter into an agreement setting out the terms and means of effecting the amalgamation and, in particular, setting out</p> <ul style="list-style-type: none"> (a) the provisions that are required to be included in articles of incorporation under section 2.02; (b) the name and address of each proposed director of the amalgamated corporation; (c) the manner in which the membership interests of each amalgamating corporation are to be converted into membership interests of the amalgamated corporation; (d) if any membership interests of any amalgamating membership corporation are not to be converted into membership interests of the amalgamated corporation, that the members are to be paid the fair value of each membership interest in accordance with section 14.17; and (e) details of any arrangements necessary to perfect the amalgamation and to provide for the subsequent management and operation of the amalgamated corporation. <p>(2) If a membership interest of one of the amalgamating corporations is held by another of the amalgamating corporations, such membership interest shall be extinguished when the amalgamation becomes effective.</p>	<p>Amalgamation agreement 330, 332</p> <p>Cancellation</p>
<p>14.10 (1) The directors of each amalgamating corporation shall submit the amalgamation agreement for approval to a meeting of each class of members of the amalgamating corporation of which they are directors.</p> <p>(2) A notice of a meeting of members complying with section 11.04 shall be sent or delivered in accordance with that section to each member of each amalgamating corporation, and shall</p> <ul style="list-style-type: none"> (a) include or be accompanied by a copy or summary of the amalgamation agreement; and (b) if one or more of the corporations is a membership corporation, state that a dissenting member of each membership corporation is entitled to be paid the fair value of his membership interest in accordance with section 14.17, but failure to make that statement does not invalidate an amalgamation. <p>(3) Each membership interest of an amalgamating corporation carries the right to vote in respect of an amalgamation whether or not it otherwise carries the right to vote.</p> <p>(4) Notwithstanding subsection (2), if an amalgamating corporation is a charitable corporation with more than five hundred members, a notice of</p>	<p>Members approval 330, 333</p> <p>Notice of meeting 333</p> <p>Right to vote</p> <p>Publication of notice 333</p>

	meeting complying with subsection 11.04(3) and including a copy or summary of the amalgamation agreement may be published to comply with the requirements of notice of subsection (2) in respect to the members of such amalgamating charitable corporation.
Class vote 333	(5) The members of a class of an amalgamating corporation are entitled to vote separately as a class in respect of an amalgamation if the amalgamation agreement contains a provision that, if contained in a proposed amendment to the articles, would entitle such members to vote as a class under section 14.03.
Member Approval 333	(6) An amalgamation agreement is adopted when the members of each amalgamating corporation have approved of the amalgamation by special resolutions of each class of such members entitled to vote thereon.
Termination 333	(7) An amalgamation agreement may provide that at any time before the issue of a certificate of amalgamation the agreement may be terminated by the directors of an amalgamating membership corporation, notwithstanding approval of the agreement by the members of all or any of the amalgamating corporations.
Vertical short- form amalgamation 330, 334	<p>14.11 (1) A holding corporation and one or more of its wholly-owned subsidiary bodies corporate may amalgamate and continue as one corporation without complying with sections 14.09 and 14.10 if</p> <p>(a) the amalgamation is approved by a resolution of the directors of each amalgamating corporation and body corporate; and</p> <p>(b) the resolutions provide that</p> <p>(i) the shares or membership interests of each amalgamating subsidiary body corporate shall be cancelled; and</p> <p>(ii) the articles of amalgamation shall be the same as the articles of incorporation of the amalgamating holding corporation.</p> <p>(2) Two or more wholly-owned subsidiary corporations of the same holding body corporate may amalgamate and continue as one corporation without complying with sections 14.09 and 14.10 if</p> <p>(a) the amalgamation is approved by a resolution of the directors of each amalgamating corporation; and</p> <p>(b) the resolutions provide that the membership interests of all but one of the amalgamating subsidiary corporations shall be cancelled, and the articles of amalgamation shall be the same as the articles of incorporation of the amalgamating subsidiary corporation whose membership interests are not cancelled.</p>
Horizontal short-form amalgamation	
Delivery of articles 330	<p>14.12 (1) Subject to subsection 14.10(7), after an amalgamation has been adopted under section 14.10 or approved under section 14.11 articles of amalgamation in prescribed form shall be sent or delivered to the Registrar together with the documents required by sections 4.01 and 9.05.</p> <p>(2) Upon receipt of articles of amalgamation, the Registrar shall issue a certificate of amalgamation in accordance with section 20.10.</p>
Certificate of amalgamation	
Effect of Certificate 330	<p>14.13 On the date shown in a certificate of amalgamation</p> <p>(a) the amalgamation of the amalgamating corporations and their continuance as one corporation become effective;</p> <p>(b) the separate existence of each amalgamating corporation ceases;</p>

- (c) the property of each amalgamating corporation continues to be the property of the amalgamated corporation;
- (d) the amalgamated corporation continues to be liable for the liabilities of each amalgamating corporation;
- (e) an existing cause of action, claim or liability to prosecution is unaffected;
- (f) a civil, criminal or administrative action or proceeding pending by or against an amalgamating corporation or its directors or officers may be continued to be prosecuted by or against the amalgamating corporation or its directors or officers;
- (g) a conviction against or ruling or judgment in favour of or against an amalgamating corporation or its directors or officers may be enforced by or against the amalgamated corporation; and
- (h) the articles of amalgamation are the articles of incorporation of the amalgamated corporation and the certificate of amalgamation is the certificate of incorporation of the amalgamated corporation.

14.14 (1) A body corporate incorporated other than under this Act may, if incorporated under an Act of the Parliament of Canada or, if so authorized by the laws of the jurisdiction where it is incorporated, apply to the Registrar for a certificate of continuance.

Continuance
(import)
335, 336

(2) Articles of continuance in prescribed form shall be sent or delivered to the Registrar together with the documents required by sections 4.01 and 9.05.

Articles of
continuance

(3) Upon receipt of articles of continuance, the Registrar shall issue a certificate of continuance in accordance with section 20.10.

Certificate of
continuance

(4) On the date shown in the certificate of continuance

Effect of
Certificate

- (a) as determined by its non-pecuniary purpose or purposes by subsection 1.02(6), the body corporate becomes a membership or charitable corporation to which this Act applies as if it had been incorporated under this Act;
- (b) the articles of continuance are the articles of incorporation of the continued corporation; and
- (c) the certificate of continuance is the certificate of incorporation of the continued corporation.

(5) The Registrar shall forthwith send a copy of the certificate of continuance to the appropriate official or public body in the jurisdiction in which continuance under this Act was authorized.

Copy of
Certificate

(6) When a body corporate is continued as a corporation under this Act,

Rights
preserved

- (a) the property of the body corporate continues to be the property of the corporation;
- (b) the corporation continues to be liable for the liabilities of the body corporate;
- (c) an existing cause of action, claim or liability to prosecution is unaffected;
- (d) a civil, criminal or administrative action or proceeding pending by or against the body corporate or its directors or officers may be continued to be prosecuted by or against the corporation or its directors or officers; and

- (e) a conviction against or ruling or judgment in favour of or against the body corporate or its directors or officers may be enforced by or against the corporation.

Continuance
(export)
335, 337

14.15 (1) Subject to subsections (7) and (8), a corporation may, if it is authorized by the members in accordance with this section, and if it establishes to the satisfaction of the Registrar that its proposed continuance in another jurisdiction will not adversely affect creditors or members of the corporation or the public interest if a charitable corporation, apply to the appropriate official or public body of another jurisdiction requesting that the corporation be continued as if it had been incorporated under the laws of that other jurisdiction.

Notice of
meeting

(2) A notice of a meeting of members complying with section 11.04 shall be sent or delivered in accordance with that section to each member and, if the corporation is a membership corporation, shall state that a dissenting member is entitled to be paid the fair value of his membership interest in accordance with section 14.17, but failure to make that statement does not invalidate a discontinuance under this Act.

Right to vote

(3) Each membership interest of the corporation carries the right to vote in respect of a continuance whether or not it otherwise carries the right to vote.

Member approval

(4) An application for continuance becomes authorized when the members voting thereon have approved of the continuance by a special resolution.

Discontinuance

(5) Upon receipt of notice satisfactory to him that the corporation has been continued under the laws of another jurisdiction, the Registrar shall issue a certificate of discontinuance in accordance with section 20.10.

Effect of
Certificate

(6) This Act ceases to apply to the corporation on the date shown in the certificate of discontinuance.

Prohibition

(7) A corporation shall not be continued as a body corporate under the laws of another jurisdiction unless those laws provide in effect that

- (a) the property of the corporation continues to be the property of the body corporate;
- (b) the body corporate continues to be liable for the liabilities of the corporation;
- (c) an existing cause of action, claim or liability to prosecution is unaffected;
- (d) a civil, criminal or administrative action or proceeding pending by or against the corporation or its directors or officers may be continued to be prosecuted by or against the body corporate or its directors or officers; and
- (e) a conviction against or ruling or judgment in favour of or against the corporation or its directors or officers may be enforced by or against the body corporate or its directors or officers.

Prohibition,
charitable
corporations
337

(8) A charitable corporation may only be continued as a body corporate under the laws of any Province in Canada.

Borrowing
powers
114, 142, 338

14.16 (1) Subject to the articles, the by-laws or any unanimous member agreement, directors of a corporation may without authorization of the members

- (a) borrow money upon the credit of the corporation;
- (b) issue, sell or pledge debt obligations of the corporation; and

(c) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the corporation, owned or subsequently acquired, to secure any debt obligation of the corporation.	
(2) A sale, lease or exchange of all or substantially all the property of a corporation other than in the ordinary course of carrying on the non-pecuniary purpose or purposes of the corporation requires the approval of the members in accordance with subsections (3) to (8).	Extraordinary sale, lease or exchange 339
(3) Subject to subsection (4) a notice of a meeting of members complying with section 11.04 shall be sent or delivered in accordance with that section to each member and shall	Notice of meeting 339
(a) include or be accompanied by a copy or summary of the agreement of sale, lease or exchange; and	
(b) if a membership corporation, state that a dissenting member is entitled to be paid the fair value of his membership interest in accordance with section 14.17, but failure to make that statement does not invalidate a sale, lease or exchange referred to in subsection (2).	
(4) A charitable corporation with more than five hundred members may comply with this section by complying with subsection 11.04(3), provided that the published notice of meeting includes the agreement of sale, lease or exchange, or a summary thereof.	Idem 339
(5) At the meeting referred to in subsection (3) the members may authorize the sale, lease or exchange and may fix or authorize the directors to fix any of the terms and conditions thereof.	Member Approval 339
(6) Each membership interest of the corporation carries the right to vote in respect of a sale, lease or exchange referred to in subsection (2) whether or not it otherwise carries the right to vote.	Right to vote 339
(7) The members of a class of members of the corporation are entitled to vote separately as a class in respect of a sale, lease or exchange referred to in subsection (2) if it effects a change that, if contained in a proposed amendment to the articles, would entitle such members to vote as a class under section 14.03.	Class vote 339
(8) A sale, lease or exchange referred to in subsection (2) is adopted when the members of each class of members entitled to vote thereon have approved of the sale, lease or exchange by a special resolution.	Member approval 339
(9) The directors of a corporation may, if authorized by the members approving a proposed sale, lease or exchange, and subject to the rights of third parties, abandon such sale, lease or exchange without further approval of the members.	Termination 339

14.17 (1) Subject to sections 14.18 and 19.04 a member of any class of members of a membership corporation may dissent if the corporation resolves to	Right to dissent 327, 340
(a) amend its articles under section 14.01 to allow for the transferability of membership interests of that class, or add, change or delete restrictions on the transferability of membership interests of that class;	
(b) amend its articles under section 14.01 to add, change or cancel any provisions restricting the non-pecuniary purpose or purposes that the corporation may carry on;	
(c) amalgamate with another corporation, except under section 14.11;	

	(d) be continued under the laws of another jurisdiction under section 14.15;
	(e) sell, lease or exchange all or substantially all its property under subsection 14.16(2).
Further right 327, 340	(2) A member with a membership interest of any class to which particular rights, privileges, restrictions or conditions are attached may dissent from an amendment to the articles effecting any change referred to in subsection 14.03(1).
Payment for membership interest 340	(3) In addition to any other right he may have, but subject to subsection (24), a member who complies with this section is entitled, if and when the action approved by the resolution from which he dissents is effective, to be paid by the corporation the fair value of the membership interest held by him in respect of which he dissents, determined as of the close of business on the day before the resolution was adopted.
Objection 341	(4) A dissenting member shall file with the corporation, at or before any meeting of members at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the member of the purpose of the meeting or of his right to dissent.
Notice of resolution 341	(5) The corporation shall, within ten days after the members adopt the resolution, send or deliver to each member who has filed the objection referred to in subsection (4) notice that the resolution has been adopted, but such notice is not required to be given to any member who voted for the resolution or who has withdrawn his objection.
Demand for Payment 341	(6) A dissenting member shall, within twenty days after he receives a notice under subsection (5) or, if he does not receive such notice, within twenty days after he learns that the resolution has been adopted, send or deliver to the corporation a written notice containing <ul style="list-style-type: none"> (a) his name and address; and (b) a demand for payment of the fair value of his membership interest.
Membership certificate or card 341	(7) A dissenting member shall, within thirty days after sending or delivering a notice under subsection (6), send or deliver his membership card or certificate to the corporation.
Forfeiture 341	(8) A dissenting member who fails to comply with subsection (7) shall have no right to make a claim under this section.
Suspension of rights 341	(9) After sending or delivering a notice under subsection (6), a dissenting member ceases to have any rights as a member except the right to be paid the fair value of his membership interest as determined under this section, unless the dissenting member withdraws his notice before the corporation makes an offer under subsection (10), in which case his rights as a member are reinstated.
Offer to pay	(10) A corporation shall, not later than seven days after the action approved by the resolution is effective, send or deliver to each dissenting member who has sent or delivered a notice under subsection (6) <ul style="list-style-type: none"> (a) a written offer to pay for his membership interest in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or (b) if subsection (24) applies, a notification that it is unable lawfully to pay dissenting members for their membership interests.

(11) Every offer made under subsection (10) for membership interests of the same class shall be on the same terms.	Same terms
(12) Subject to subsection (24), a corporation shall pay for the membership interest of a dissenting member within ten days after an offer made under subsection (10) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after it has been made.	Payment
(13) Where a corporation fails to make an offer under subsection (10), or if a dissenting member fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective, apply to a court to fix a fair value for the membership interest of any dissenting member.	Corporation application to court
(14) If a corporation fails to apply to a court under subsection (13), a dissenting member may apply to a court for the same purpose within a further period of twenty days.	Member application to court
(15) An application under subsection (13) or (14) shall be made to a court having jurisdiction in the place where the corporation has its registered office, or in the province where the dissenting member resides if the corporation carries on its non-pecuniary purpose or purposes in that province.	Venue 341
(16) A dissenting member is not required to give security for costs in an application made under subsection (13) or (14).	No security for costs 341
(17) Upon an application under subsection (13) or (14)	Parties 341
(a) all dissenting members whose membership interests have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and	
(b) the corporation shall notify each affected dissenting member of the date, place and consequences of the application and of his right to appear and be heard in person or by counsel.	
(18) Upon an application to a court under subsection (13) or (14) the court may determine whether any person is a dissenting member who should be joined as a party, and the court shall then fix a fair value for the membership interests of all dissenting members.	Powers of court 341
(19) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the membership interests of the dissenting members.	Appraisers 341
(20) The final order of a court shall be rendered against the corporation in favour of each dissenting member and for the amount of his membership interest as fixed by the court.	Final Order 341
(21) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting member from the date the action approved by the resolution is effective until the date of payment.	Interest 341
(22) If subsection (24) applies the corporation shall, within ten days after the pronouncement of an order under subsection (20), notify each dissenting member that it is unable lawfully to pay dissenting members for their membership interests.	Notice that subsection (24) applies 341
(23) If subsection (22) applies a dissenting member, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (22), may	Effect where subsection (24) applies 341

	<ul style="list-style-type: none"> (a) withdraw his notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the member is reinstated to his full rights as a member; or (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its members.
Limitation 341	<p>(24) A corporation shall not make a payment to a dissenting member under this section if there are reasonable grounds for believing that</p> <ul style="list-style-type: none"> (a) the corporation is or would after payment be unable to pay its liabilities as they become due; or (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.
"Reorganization" defined 342	<p>14.18 (1) In this section "reorganization" means a court order made under</p> <ul style="list-style-type: none"> (a) section 19.04; (b) the <i>Bankruptcy Act</i> approving a proposal; or (c) any other Act of Parliament.
Powers of court	<p>(2) If a corporation is subject to an order referred to in subsection (1), its articles may be amended by such order to effect any change that might lawfully be made by an amendment under section 14.01.</p>
Further powers	<p>(3) If a court makes an order referred to in subsection (1), the court may also</p> <ul style="list-style-type: none"> (a) authorize the issue of debt obligations of the corporation, and fix the terms thereof; and (b) appoint directors in place of or in addition to all or any of the directors then in office.
Articles of reorganization	<p>(4) After an order referred to in subsection (1) has been made, articles of reorganization in prescribed form shall be delivered to the Registrar together with the documents required by sections 4.01 and 9.12 if applicable.</p>
Certificate of reorganization	<p>(5) Upon receipt of articles of reorganization, the Registrar shall issue a certificate of amendment in accordance with section 20.10.</p>
Effect of certificate	<p>(6) A reorganization becomes effective on the date shown in the certificate of amendment and the articles of incorporation are amended accordingly.</p>
No dissent	<p>(7) A member is not entitled to dissent under section 14.17 if an amendment to the articles of incorporation is effected under this section.</p>

PART 15.00

PROSPECTUS QUALIFICATION

15.01 A corporation that files or distributes in any jurisdiction a prospectus, statement of material facts, registration statement, or similar document relating to the distribution to the public of the securities or membership interests of the corporation shall forthwith send or deliver to the Registrar a copy of any such document.

Distribution
document
343-345

PART 16.00

BOARD OF TRADE AND CHAMBER OF COMMERCE CORPORATIONS

Interpretation
353

“board of trade”
“chamber of
commerce”

“district”

Application
of Part
346-348
Name
349-351

Powers of
Registrar
352

Proxies
354

16.01 (1) In this Part

“board of trade” or “chamber of commerce” means a corporation incorporated or continued under this Act as a membership corporation for the non-pecuniary purpose of promoting and improving trade and commerce and thereby promoting and improving the economic, civic and social welfare of a district; and

“district” means a geographical area designated by the Registrar with respect to which a corporation may have a name containing the phrase “board of trade” or “chamber of commerce”.

(2) This Part applies to each board of trade or chamber of commerce.

16.02 In respect of any district, a proposed name containing the phrase “Board of Trade” or “Chamber of Commerce” is deemed to be confusingly similar to the name of an existing corporation containing either one of such phrases irrespective of any other distinguishing word in the proposed name.

16.03 The Registrar may, on incorporating a board of trade or chamber of commerce or at any other time, designate or change the district in which that board of trade or chamber of commerce is entitled to the exclusive use of its name.

16.04 A member of a board of trade or chamber of commerce is not entitled to appoint a proxyholder unless the articles of the corporation so provide.

PART 17.00

LIQUIDATION AND DISSOLUTION

17.01 In this Part, “court” means a court having jurisdiction in the place where the corporation has its registered office.

Interpretation
“court”
358

17.02 (1) This Part does not apply to a corporation that is insolvent within the meaning of the *Bankruptcy Act* or that is a bankrupt within the meaning of that Act.

Application
of Part
359

(2) Any proceedings taken under this Part to dissolve or to liquidate and dissolve a corporation shall be stayed if the corporation is at any time found to be insolvent within the meaning of the *Bankruptcy Act*.

Staying
proceedings

17.03 (1) Where a corporation is dissolved under this Part or section 20.16, any interested person may apply to the Registrar to have the corporation revived.

Revival
359

(2) Articles of revival in prescribed form shall be sent or delivered to the Registrar.

Articles
of revival

(3) Upon receipt of articles of revival, the Registrar shall issue a certificate of revival in accordance with section 20.10.

Certificate
of
revival
Rights
preserved

(4) A corporation is revived on the date shown on the certificate of revival, and thereafter the corporation, subject to such terms as may be imposed by the Registrar and to the rights acquired by any person after its dissolution, has all the rights and privileges and is subject to all the duties and liabilities that it would have had if it had not been dissolved.

17.04 (1) A corporation that has no members may be dissolved at any time upon the authorization of all the incorporators or first directors.

Dissolution if no
members
360
Dissolution
if no property
360

(2) A corporation that has no property and no liabilities may be dissolved by a special resolution of the members or, where it has more than one class of members by special resolution of members of each class whether or not they are otherwise entitled to vote.

(3) Articles of dissolution in prescribed form shall be sent or delivered to the Registrar.

Articles of
dissolution

(4) Upon receipt of articles of dissolution, the Registrar shall issue a certificate of dissolution in accordance with section 20.10.

Certificate
of dissolution

(5) The corporation ceases to exist on the date shown in the certificate of dissolution.

Effect of
certificate

17.05 (1) The directors may propose, or in accordance with section 11.06 a member may make a proposal for, the voluntary liquidation and dissolution of a corporation.

Proposing
liquidation and
dissolution
361, 362

(2) Notice of any meeting of members at which voluntary liquidation and dissolution is to be proposed shall set out the terms thereof.

Notice of
meeting
361

(3) A corporation may liquidate and dissolve by special resolution of the members or, where the corporation has more than one class of members, a special resolution of the members of each class whether or not they are otherwise entitled to vote.

Members
resolution
361

(4) A statement of intent to dissolve in prescribed form shall be sent or delivered to the Registrar.

Statement of
intent to
dissolve
362

Certificate of intent to dissolve 362 Effect of certificate 362	<p>(5) Upon receipt of a statement of intent to dissolve, the Registrar shall issue a certificate of intent to dissolve in accordance with section 20.10.</p> <p>(6) Upon issue of a certificate of intent to dissolve, the corporation shall cease to carry on its non-pecuniary purpose or purposes except to the extent necessary for the liquidation, but its corporate existence shall continue until the Registrar issues a certificate of dissolution.</p>
Liquidation 362	<p>(7) After issue of a certificate of intent to dissolve, the corporation shall</p> <ul style="list-style-type: none"> (a) immediately cause notice thereof to be mailed or delivered to each known creditor of the corporation; (b) forthwith publish notice thereof once a week for four successive weeks in a newspaper published or distributed in the place where the corporation has its registered office and take reasonable steps to give notice thereof in each province in Canada where the corporation was carrying on its non-pecuniary purpose or purposes at the time it sent the statement of intent to dissolve to the Registrar; (c) proceed to collect its property, to dispose of properties that are not to be distributed in accordance with section 17.19, to pay all its liabilities, to discharge all its duties, and to do all other acts required to liquidate its affairs; and (d) after giving the notice required under paragraphs (a) and (b) and paying or adequately providing for the payment or discharge of all its liabilities and duties, distribute its remaining property, either in money or in kind, in accordance with section 17.19.
Supervision by court 362	<p>(8) The Registrar or any interested person may, at any time during the liquidation of a corporation, apply to a court for an order that the liquidation be continued under the supervision of the court as provided in this Part, and upon such application the court may so order and make any further order it thinks fit.</p>
Notice to Registrar	<p>(9) An applicant under this section shall give the Registrar not less than ten days notice of the application, and the Registrar is entitled to appear and be heard in person or by counsel.</p>
Revocation 363	<p>(10) At any time after issue of a certificate of intent to dissolve and before issue of a certificate of dissolution, a certificate of intent to dissolve may be revoked by sending or delivering to the Registrar a statement of revocation of intent to dissolve in prescribed form, if such revocation is approved in the same manner as the resolution under subsection (3).</p>
Certificate of revocation of intent to dissolve 363 Effect of certificate 363	<p>(11) Upon receipt of a statement of revocation of intent to dissolve, the Registrar shall issue a certificate of revocation of intent to dissolve in accordance with section 20.10.</p> <p>(12) On the date shown in the certificate of revocation of intent to dissolve, the revocation is effective and the corporation may continue to carry on its non-pecuniary purpose or purposes.</p>
Right to dissolve 363	<p>(13) If a certificate of intent to dissolve has not been revoked and the corporation has complied with subsection (7), the corporation shall prepare articles of dissolution.</p>
Articles of dissolution 363 Certificate of dissolution 363	<p>(14) Articles of dissolution in prescribed form shall be sent or delivered to the Registrar.</p> <p>(15) Upon receipt of articles of dissolution, the Registrar shall issue a certificate of dissolution in accordance with section 20.10.</p>

(16) The corporation ceases to exist on the date shown in the certificate of dissolution.	Effect of Certificate 363
17.06 (1) Subject to subsections (2) and (3), where a corporation <ul style="list-style-type: none"> (a) has not commenced to carry on its non-pecuniary purpose or purposes within three years after the date shown in its certificate of incorporation, (b) has not carried on its non-pecuniary purpose or purposes for three consecutive years, or (c) is in default for a period of one year in sending to the Registrar any fee, notice or document required by this Act, the Registrar may dissolve the corporation by issuing a certificate of dissolution under this section or he may apply to a court for an order dissolving the corporation, in which case section 17.11 applies.	Cancelling certificate of incorporation 364
(2) The Registrar shall not dissolve a corporation under this section until he has <ul style="list-style-type: none"> (a) given one hundred and twenty days notice of his decision to dissolve to the corporation and to each director thereof; and (b) published notice of his decision to dissolve the corporation in the <i>Canada Gazette</i> and in a newspaper published or distributed in the place where the corporation has its registered office. 	Publication 365
(3) Unless cause to the contrary has been shown or an order has been made by a court under section 19.09, the Registrar may, after expiry of the period referred to in subsection (2), issue a certificate of dissolution in prescribed form.	Certificate of dissolution 366
(4) The corporation ceases to exist on the date shown in the certificate of dissolution.	Effect of certificate 366
17.07 (1) The Registrar or any interested person may apply to a court for an order dissolving a corporation if the corporation has <ul style="list-style-type: none"> (a) failed for two or more consecutive years to comply with the requirements of this Act with respect to the holding of annual meetings of members, (b) failed to comply with subsection 3.02(2), or section 4.03, 13.03, or 13.05; or (c) procured any certificate under this Act by misrepresentation. 	Grounds for dissolution 367
(2) An applicant under this section shall give the Registrar not less than ten days notice of the application, and the Registrar is entitled to appear and be heard in person or by counsel.	Notice to Registrar
(3) Upon an application under this section or section 17.06, the court may order that the corporation be dissolved or that the corporation be liquidated and dissolved under the supervision of the court, and the court may make any other order it thinks fit.	Dissolution order 368
(4) Upon receipt of an order under this section, section 17.06 or section 17.08, the Registrar shall <ul style="list-style-type: none"> (a) if the order is to dissolve the corporation, issue a certificate of dissolution in prescribed form; or (b) if the order is to liquidate and dissolve the corporation under the supervision of the court, issue a certificate of intent to dissolve in prescribed form and publish notice of such order in the <i>Canada Gazette</i>. 	Certificate 368

Effect of
Certificate

(5) The corporation ceases to exist on the date shown in the certificate of dissolution.

Further
grounds for
liquidation and
dissolution of
membership
corporation
369, 370,
374, 375

17.08 (1) A court may order the liquidation and dissolution of a membership corporation upon the application of a member,

- (a) if the court is satisfied that in respect of a corporation or any of its affiliated bodies corporate,
 - (i) any act or omission of the corporation or any of its affiliates effects a result,
 - (ii) the non-pecuniary purpose or affairs of the corporation or any of its affiliates have been carried on or conducted in a manner, or
 - (iii) the powers of the directors of the corporation or any of its affiliates are or have been exercised in a manner

that is oppressive or unfairly prejudicial to or in disregard of the interests of any security holder, creditor, member, director or officer; or

- (b) if the court is satisfied that
 - (i) a unanimous member agreement entitles a complaining member to demand dissolution of the corporation after the occurrence of a specified event and that event has occurred, or
 - (ii) it is just and equitable that the corporation should be liquidated and dissolved.

Charitable
corporation
369-372

(2) A court may order the liquidation and dissolution of a charitable corporation upon the application of the Registrar, a member, or any other person,

- (a) if the court is satisfied that in respect of a corporation or any of its affiliated bodies corporate,
 - (i) any act or omission of the corporation or any of its affiliates effects a result,
 - (ii) the non-pecuniary purpose or affairs of the corporation or any of its affiliates have been carried on or conducted in a manner, or
 - (iii) the powers of the directors of the corporation or any of its affiliates are or have been exercised in a manner

that is oppressive or unfairly prejudicial to or in disregard of the interests of any security holder, creditor, member, director or officer or the public generally; or

- (b) if the court is satisfied that
 - (i) a unanimous member agreement entitles a complaining member to demand dissolution of the corporation after the occurrence of a specified event and that event has occurred, or
 - (ii) it is just and equitable that the corporation should be liquidated and dissolved.

(3) Upon an application under this section, a court may make such order under this section or section 19.04 as it thinks fit.

(4) Section 19.05 applies to an application under this section.

17.09 (1) An application to a court to supervise a voluntary liquidation and dissolution under subsection 17.05(8) shall state the reasons, verified by an affidavit of the applicant, why the court should supervise such liquidation and dissolution.

(2) If a court makes an order applied for under subsection 17.05(8), the liquidation and dissolution of the corporation shall continue under the supervision of the court in accordance with this Act.

Alternative
order
373
Application
of s. 19.05
373
Application
for
supervision
376

Court
supervision

<p>17.10 (1) An application to a court under subsection 17.08(1) or (2) shall state the reasons, verified by an affidavit of the applicant, why the corporation should be liquidated and dissolved.</p>	<p>Application to court 376</p>
<p>(2) Upon such application under subsection 17.08(1) or (2), the court may make an order requiring the corporation and any person having an interest in the corporation or claim against it to show cause, at a time and place therein specified, not less than four weeks after the date of the order, why the corporation should not be liquidated and dissolved.</p>	<p>Show cause order</p>
<p>(3) Upon an application under subsection 17.08(1) or (2), the court may order the directors and officers of the corporation to furnish to the court all material information known to or reasonably ascertainable by them, including</p> <ul style="list-style-type: none"> (a) financial statements of the corporation; (b) the name and address of each member of the corporation; and (c) the name and address of each creditor or claimant, including any creditor or claimant with unliquidated, future or contingent claims and any person with whom the corporation has a contract. 	<p>Powers of court</p>
<p>(4) A copy of an order made under subsection (2) shall be</p> <ul style="list-style-type: none"> (a) published as directed in the order, at least once in each week before the time appointed for the hearing, in a newspaper published or distributed in the place where the corporation has its registered office; and (b) served upon the Registrar and each person named in the order by personal service or registered mail at least twenty days before the date of the hearing. <p>(5) Publication and service of an order under this section shall be effected by the corporation or by such other person as the court may order.</p>	<p>Publication</p> <p>Person responsible</p>
<p>17.11 In connection with the dissolution or the liquidation of a corporation, the court may, if it is satisfied that the corporation is able to pay or adequately provide for the payment or discharge of all its liabilities and duties, make any order it thinks fit, and without limiting the generality of the foregoing, the court may</p> <ul style="list-style-type: none"> (a) order liquidation; (b) appoint a liquidator, with or without security, fix the remuneration of and replace a liquidator; (c) appoint inspectors or referees, specify their powers and fix the remuneration of and replace inspectors or referees; (d) determine the notice to be given to any interested person, or dispense with notice to any person; (e) determine the validity of any claims made against the corporation; (f) at any stage of the proceedings, restrain the directors and officers from <ul style="list-style-type: none"> (i) exercising any of their powers, or (ii) collecting or receiving any debt or other property of the corporation, and from paying out or transferring any property of the corporation, except as permitted by the court; (g) determine and enforce the duty or liability of any director, officer or member <ul style="list-style-type: none"> (i) to the corporation, or (ii) for a duty or liability of the corporation; 	<p>Powers of court 376</p>

- (h) approve the payment, satisfaction or compromise of claims against the corporation, the retention of assets for such purpose, and determine the adequacy of provisions for the payment or discharge of liabilities and duties of the corporation, whether liquidated, unliquidated, future or contingent;
- (i) make an order with respect to the disposition or destruction of the documents and records of the corporation;
- (j) upon the application of a creditor, the inspectors or the liquidator, give directions on any matter arising in the liquidation;
- (k) after notice has been given to all interested parties, relieve a liquidator from any omission or default on such terms as the court thinks fit and confirm any act of the liquidator;
- (l) approve any proposed distribution of the corporation's remaining property, in money or in kind, in accordance with section 17.19;
- (m) order the disposition of any property belonging to creditors or members who cannot be found;
- (n) upon the application of a director, officer, member, security holder, creditor or the liquidator,
 - (i) stay the liquidation on such terms and conditions as the court thinks fit,
 - (ii) order the liquidation proceedings to be continued or discontinued, or
 - (iii) order the liquidator to restore to the corporation all its remaining property; and
- (o) after the liquidator has rendered his final account to the court, order dissolution of the corporation.

Effect of
order
376

17.12 The liquidation of a corporation commences when a court makes an order therefor.

Cessation of
non-pecuniary
purpose and
powers
376

17.13 If a court makes an order for liquidation of a corporation

- (a) the corporation continues in existence but shall cease to carry on its non-pecuniary purpose or purposes, except to the extent that is in the opinion of the liquidator required for an orderly liquidation; and
- (b) the powers of the directors and members cease, except as specifically authorized by the court or the liquidator.

Appointment
of
liquidator
376

17.14 (1) When making an order for the liquidation of a corporation or at any time thereafter, the court may appoint any person, including a director, an officer or member or any other corporation, as liquidator of the corporation.

Vacancy

(2) Where an order for the liquidation of a corporation has been made and the office of liquidator is or becomes vacant, the property of the corporation is under the control of the court until the office of liquidator is filled.

Vesting of
property
376

17.15 The property and rights of the corporation wherever situated vest in the liquidator upon his appointment for the benefit of the claimants, creditors and the persons to whom distribution of the property of the corporation is to be made pursuant to section 17.19.

17.16 A liquidator shall

- (a) forthwith after his appointment give notice thereof to the Registrar and to each claimant and creditor known to the liquidator;
- (b) forthwith publish notice in the *Canada Gazette* and by insertion once a week for two consecutive weeks in a newspaper published or distributed in the place where the corporation has its registered office and take reasonable steps to give notice thereof in each province in Canada where the corporation carries on its non-pecuniary purpose or purposes, requiring any person
 - (i) indebted to the corporation, to render an account and pay to the liquidator at the time and place specified any amount owing,
 - (ii) possessing property of the corporation, to deliver it to the liquidator at the time and place specified, and
 - (iii) having a claim against the corporation, whether liquidated, unliquidated, future or contingent, to present particulars thereof in writing to the liquidator not later than two months after the first publication of the notice;
- (c) take into his custody and control the property of the corporation;
- (d) open and maintain a trust account for the moneys of the corporation;
- (e) keep accounts of the moneys of the corporation received and paid out by him;
- (f) maintain separate lists of the members, creditors, and other persons having claims against the corporation;
- (g) if at any time the liquidator determines that the corporation is unable to pay or adequately provide for the payment or discharge of its liabilities and duties, apply to the court for directions;
- (h) deliver to the court and to the Registrar, at least once in every twelve month period after his appointment or more often as the court may require, financial statements of the corporation in the form required by section 13.01 or in such other form as the liquidator may think proper or as the court may require; and
- (i) after his final accounts are approved by the court, distribute any remaining property of the corporation in accordance with section 17.19.

Duties of
liquidator
377

17.17 (1) A liquidator may

- (a) retain legal counsel, accountants and other professional advisers;
- (b) bring, defend or take part in any civil, criminal or administrative action or proceeding in the name and on behalf of the corporation;
- (c) carry on the non-pecuniary purpose or purposes of the corporation as required for an orderly liquidation;
- (d) sell by public auction or private sale any property of the corporation;
- (e) do all acts and execute any documents in the name and on behalf of the corporation;
- (f) borrow money on the security of the property of the corporation;
- (g) settle or compromise any claims by or against the corporation; and
- (h) do all other things necessary for the liquidation of the corporation and distribution of its property.

Powers of
liquidator
377

(2) A liquidator is not liable if he relies in good faith upon

- (a) financial statements of the corporation represented to him by an officer of the corporation to be correct or stated in a written report of the

Reliance on
statements

	auditor of the corporation to reflect fairly the financial condition of the corporation; or
Application for examination	(b) an opinion, report or a statement of legal counsel, an accountant or other professional adviser retained by the liquidator.
Power of court	(3) If a liquidator has reason to believe that any person has in his possession or under his control, or has concealed, withheld or misappropriated any property of the corporation, he may apply to the court for an order requiring that person to appear before the court at the time and place designated in the order and to be examined.
Costs of liquidation 377	(4) If the examination referred to in subsection (3) discloses that a person has concealed, withheld or misappropriated property of the corporation, the court may order him to restore it or pay compensation to the liquidator.
Final account	17.18 (1) A liquidator shall pay the costs of liquidation out of the property of the corporation and shall pay or make adequate provisions for all claims against the corporation.
Application by member or Registrar	(2) Within one year after his appointment, and after paying or making adequate provision for all claims against the corporation, the liquidator shall apply to the court
Publication	(a) for approval of his final accounts and for an order permitting him to distribute in money or in kind the remaining property of the corporation in accordance with section 17.19; or
Final order	(b) for an extension of time, setting out the reasons therefor.
Delivery of order	(3) If a liquidator fails to make the application required by subsection (2), a member of the corporation, or the Registrar, may apply to the court for an order for the liquidator to show cause why a final accounting and distribution should not be made.
Certificate of dissolution 377	(4) A liquidator shall give not less than ten days notice of his intention to make an application under subsection (2) to the Registrar, each inspector appointed under section 17.11, each member and any person who provided a security or fidelity bond for the liquidation, and he shall publish the notice in a newspaper published or distributed in the place where the corporation has its registered office or as otherwise directed by the court.
Effect of certificate	(5) If the court approves the final accounts rendered by a liquidator, the court shall make an order
Distribution of remaining property 379-386	(a) directing the Registrar to issue a certificate of dissolution;
	(b) directing the custody or disposal of the documents and records of the corporation; and
	(c) subject to subsection (6), discharging the liquidator.
	(6) The liquidator shall forthwith send or deliver a certified copy of the court order referred to in subsection (5) to the Registrar.
	(7) Upon receipt of the court order referred to in subsection (5) the Registrar shall issue a certificate of dissolution in accordance with section 20.10.
	(8) The corporation ceases to exist on the date shown in the certificate of dissolution.
	17.19 (1) After paying or adequately providing for the payment of its liabilities, the remaining property of the corporation shall be transferred, conveyed or distributed in accordance with this section.

(2) Property held by a corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements.	Property requiring return 384
(3) Other property of a corporation shall be transferred, conveyed, or distributed in accordance with the articles to the extent that the articles so provide.	Other property by articles 384
(4) Where the articles are inapplicable, in respect to property received and held	Property for charitable purposes 384
(a) by a membership corporation subject to limitations permitting the use of such property only for charitable purposes, but not held upon a condition requiring return, transfer or conveyance by reason of the dissolution; or	
(b) by a charitable corporation,	
such property shall be transferred or conveyed to one or more corporations, societies or organizations in Canada having cognate or similar purposes or objects to those of the dissolving corporation.	
(5) Where the articles are inapplicable, subject to the approval of the court, the liquidator shall select one or more corporations, societies or organizations which meet the requirements of subsection (4).	Court approval 384
(6) Where the articles are inapplicable, subject to subsections (2) and (4), property of a membership corporation shall be distributed in a manner whereby each membership interest receives an equal share.	Remaining property of membership corporation 385, 386
(7) A liquidator who applies to the court under subsection (5) shall give the Registrar not less than ten days notice of the application and the Registrar is entitled to appear and be heard in person or by counsel.	Notice to Registrar 384
17.20 (1) A person who has been granted custody of the documents and records of a dissolved corporation remains liable to produce such documents and records for six years following the date of its dissolution or until the expiry of such other shorter period that may be ordered under subsection 17.18(5).	Custody of documents 378
(2) A person who contravenes subsection (1) is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding six months or to both.	Offence
17.21 (1) In this section, "member" includes the heirs and legal representatives of a member.	"Member" defined 378
(2) Notwithstanding the dissolution of a corporation under this Act,	Continuation of actions
(a) any civil, criminal or administrative action or proceeding commenced by or against the corporation before its dissolution may be continued as if the corporation had not been dissolved;	
(b) a civil, criminal or administrative action or proceeding may be brought against the corporation within one year after its dissolution as if the corporation had not been dissolved; and	
(c) any property that would have been available to satisfy any judgment or order if the corporation had not been dissolved remains available for such purpose.	
(3) Service of a document on a corporation after its dissolution may be effected by serving the document upon a person shown in the last notice filed under section 9.05 or 19.12.	Service

Reimbursement
378

(4) Notwithstanding the dissolution of a corporation, a member to whom any of its property has been distributed is liable to any person claiming under subsection (2) to the extent of the amount received by that member upon such distribution, and an action to enforce such liability may be brought within one year after the date of the dissolution of the corporation.

Representa-
tive action
378

(5) A court may order an action referred to in subsection (4) to be brought against the persons who were members as a class, subject to such conditions as the court thinks fit and, if the plaintiff establishes his claim, the court may refer the proceedings to a referee or other officer of the court, who may

- (a) add as a party to the proceedings before him each person who was a member that the plaintiff finds;
- (b) determine, subject to subsection (4), the amount that each person who was a member shall contribute towards satisfaction of the plaintiff's claim; and
- (c) direct payment of the sums so determined.

Unknown
claimants
378

17.22 (1) Upon the dissolution of a corporation, the portion of the property distributable to a creditor or member who cannot be found shall be converted into money and paid to the Receiver-General.

Constructive
satisfaction

(2) A payment under subsection (1) is deemed to be in satisfaction of the debt or claim of such creditor or member.

Recovery

(3) If at any time a person establishes that he is entitled to any moneys paid to the Receiver-General under this Act, the Receiver-General shall pay an equivalent amount to him out of the Consolidated Revenue Fund.

Vesting
in Crown
387

17.23 (1) Subject to subsection 17.21(2), and section 17.22, property of a corporation that has not been disposed of at the date of its dissolution vests in Her Majesty in right of Canada.

Payment
on revival

(2) If a corporation is revived under section 17.03, an amount equal to any money received by Her Majesty pursuant to subsection (1) and an amount equal to the value of any property at the time it vested in Her Majesty under that subsection shall be paid to the corporation out of the Consolidated Revenue Fund.

PART 18.00

INVESTIGATION

18.01 (1) A member or the Registrar may apply, *ex parte* or upon such notice as the court may require, to a court having jurisdiction in the place where the corporation has its registered office, for an order directing an investigation of the corporation and any of its affiliated bodies corporate.

Investigation
388-395

(2) If upon an application under subsection (1) it appears to the court that

Grounds
389

- (a) the non-pecuniary purpose or purposes or affairs of the corporation or any of its affiliates are or have been carried on with intent to defraud any person,
- (b) the non-pecuniary purpose or purposes or affairs of the corporation or any of its affiliates are or have been carried on or conducted, or the powers of the directors are or have been exercised in a manner oppressive or unfairly prejudicial to or in disregard of the interests of a member or security holder,
- (c) the corporation or any of its affiliates was formed for a fraudulent or unlawful purpose or is to be dissolved for a fraudulent or unlawful purpose, or
- (d) persons concerned with the formation, non-pecuniary purpose or purposes or affairs of the corporation or any of its affiliates have in connection therewith acted fraudulently or dishonestly,

the court may order an investigation to be made of the corporation and any of its affiliated bodies corporate.

(3) If a member makes an application under subsection (1) he shall give the Registrar reasonable notice thereof, and the Registrar is entitled to appear and be heard in person or by counsel.

Notice to
Registrar
391

(4) An applicant under this section shall not be required to give security for costs.

No security
for costs
392

18.02 (1) In connection with an investigation under this Part the court may make any order it thinks fit and without limiting the generality of the foregoing, the court may

Powers of
court
396

- (a) order an investigation;
- (b) appoint an inspector, who may be the Registrar, fix the remuneration of an inspector, and replace an inspector;
- (c) determine the notice to be given to any interested person, or dispense with notice to any person;
- (d) authorize an inspector to enter any premises in which the court is satisfied there might be relevant information, and to examine any thing and make copies of any document or record found on the premises;
- (e) require any person to produce documents or records to the inspector;
- (f) authorize an inspector to conduct a hearing, administer oaths, and examine any person upon oath, and may prescribe rules for the conduct of the hearing;
- (g) require any person to attend a hearing conducted by an inspector and give evidence upon oath;

	<p>(h) give directions to the inspector or any interested person on any matter arising in the investigation;</p> <p>(i) order an inspector to make an interim or final report to the court;</p> <p>(j) determine whether a report of an inspector should be published and, if so, order the Registrar to publish the report in whole or in part or to send copies to any person the court designates; and</p> <p>(k) order an inspector to discontinue an investigation.</p> <p>(2) An inspector shall send or deliver to the Registrar a copy of every report made by the inspector under this Part.</p>
Copy of report to Registrar	
Power of Inspector 396	
Court order	<p>18.03 (1) An inspector under this Part has the powers set out in the order appointing him.</p> <p>(2) An inspector shall upon request produce to an interested person a copy of any order made under subsection 18.02(1).</p>
Hearing in camera 396	
Right to counsel	<p>18.04 (1) An interested person may apply to the court for an order that a hearing conducted by an inspector under this Part be heard in camera and for directions on any matter arising in the investigation.</p> <p>(2) A person whose conduct is being investigated or who is being examined at a hearing conducted by an inspector under this Part has a right to be represented by counsel.</p>
Criminating statements 396	<p>18.05 No person is excused from attending and giving evidence and producing documents and records to an inspector under this Part by reason only that the evidence tends to criminate him or subject him to any proceeding or penalty, but no such evidence shall be used or is receivable against him in any proceeding thereafter instituted against him under an Act of Parliament, other than a prosecution for perjury in giving the evidence.</p>
Absolute privilege (defamation) 396	<p>18.06 Any oral or written statement or report made by an inspector or any other person in an investigation under this Part has absolute privilege.</p>
Solicitor-client privilege 396	<p>18.07 Nothing in this Part shall be construed to affect the privilege that exists in respect of a solicitor and his client.</p>
Inquiries 396	<p>18.08 The Registrar may make inquiries of any person relating to compliance with this Act.</p>

PART 19.00

REMEDIES, OFFENCES AND PENALTIES

19.01 In this Part,

“action” means an action brought under this Act;

“complainant” means

- (a) a member or a security holder,
- (b) a director or an officer or a former director or officer of a corporation or of any of its affiliates,
- (c) the Registrar, or
- (d) any other person who, in the discretion of a court, is a proper person to make an application under this Part.

Interpretation
397-403

“action”

“complainant”

19.02 (1) Subject to subsection (2), a complainant may apply to a court for leave to bring an action in the name and on behalf of a corporation or any of its subsidiaries, or intervene in an action to which any such body corporate is a party for the purpose of prosecuting, defending or discontinuing the action on behalf of the body corporate.

(2) No action may be brought and no intervention in an action may be made under subsection (1) unless the court is satisfied that

- (a) the complainant has given reasonable notice to the directors of the corporation or its subsidiary of his intention to apply to the court under subsection (1) if the directors of the corporation or its subsidiary do not bring, diligently prosecute or defend or discontinue the action;
- (b) the complainant is acting in good faith; and
- (c) it appears to be in the interests of the corporation or its subsidiary that the action be brought, prosecuted, defended or discontinued.

Commencing
derivative
action
404, 407

Conditions
precedent
405

19.03 In connection with an action brought or intervened in under section 19.02, the court may at any time make any order it thinks fit and, without limiting the generality of the foregoing, a court may make an order

- (a) authorizing the complainant or any other person to control the conduct of the action;
- (b) giving directions for the conduct of the action;
- (c) directing that any amount adjudged payable by a defendant in the action shall be paid, in whole or in part, directly to former and present security holders of the corporation or its subsidiary instead of to the corporation or its subsidiary; and
- (d) requiring the corporation or its subsidiary to pay reasonable legal fees incurred by the complainant in connection with the action.

Powers of
court
406

19.04 (1) A complainant may apply to a court for an order under this section.

(2) If upon an application under subsection (1), the court is satisfied that in respect of a corporation or any of its affiliates

- (a) any act or omission of the corporation or any of its affiliates effects a result,
- (b) the non-pecuniary purpose, purposes, or affairs of the corporation or any of its affiliates have been carried on or conducted in a manner, or

Application
to court
118, 374, 407
Grounds
407

- (c) the powers of the directors of the corporation or any of its affiliates have been exercised in a manner

that is oppressive or unfairly prejudicial to or in disregard of the interests of any member, security holder, creditor, director or officer, or the public generally if the corporation is a charitable corporation, the court may make an order to rectify the matters complained of.

(3) In connection with an application under this section, the court may make any interim or final order it thinks fit and, without limiting the generality of the foregoing, the court may make an order for any or all of the following purposes:

- (a) restraining the conduct complained of;
- (b) appointing a receiver or receiver-manager;
- (c) to regulate a corporation's affairs by amending the articles or by-laws or creating or amending a unanimous member agreement;
- (d) directing an issue or exchange of securities;
- (e) directing changes in the directors as permitted by subsection 14.18(3);
- (f) directing a corporation, subject to subsection (6), or any other person, to purchase securities of a security holder;
- (g) directing a corporation, subject to subsection (6), or any other person, to pay to a member any part of the moneys paid by him for a membership interest;
- (h) varying or setting aside a transaction or contract to which a corporation is a party and compensating the corporation or any other party to the transaction or contract;
- (i) requiring a corporation, within a time specified by the court, to produce to the court or an interested person financial statements in the form required by section 13.01 or an accounting in such other form as the court may determine;
- (j) compensating an aggrieved person;
- (k) directing rectification of the registers or records of a corporation under section 19.06;
- (l) liquidating and dissolving the corporation;
- (m) directing an investigation under Part 18.00 to be made; and
- (n) directing a corporation as to the future investment, disposition and application of its property or property under its control as the court deems just and best calculated to carry out the non-pecuniary purpose or purposes of the corporation.

(4) If an order made under this section directs amendment of the articles or by-laws of a corporation,

- (a) the directors shall forthwith comply with subsection 14.18(4); and
- (b) no other amendment to the articles or by-laws shall be made without the consent of the court, until a court otherwise orders.

(5) A member is not entitled to dissent under section 14.17 if an amendment to the articles is effected under this section.

(6) A corporation shall not make a payment to a member under paragraph (3) (g) if there are reasonable grounds for believing that

- (a) the corporation is or would after that payment be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

<p>(7) An applicant under this section may apply in the alternative for an order under section 17.08.</p>	<p>Alternative order</p>
<p>19.05 (1) An application made or an action brought or intervened in under this Part shall not be stayed or dismissed by reason only that it is shown that an alleged breach of a right or duty owed to the corporation or its subsidiary has been or may be approved by the members of such body corporate, but evidence or approval by the members may be taken into account by the court in making an order under section 17.08, 19.03 or 19.04.</p> <p>(2) An application made or an action brought or intervened in under this Part shall not be stayed, discontinued, settled or dismissed for want of prosecution without the approval of the court given upon such terms as the court thinks fit and, if the court determines that the interests of any complainant may be substantially affected by such stay, discontinuance, settlement or dismissal, the court may order any party to the application or action to give notice to such complainant.</p> <p>(3) A complainant is not required to give security for costs in any application made or action brought or intervened in under this Part.</p> <p>(4) In an application made or an action brought or intervened in under this Part, the court may at any time order the corporation or its subsidiary to pay to the complainant interim costs, including legal fees and disbursements, but the complainant is accountable for such interim costs upon final disposition of the application or action.</p>	<p>Evidence of member approval not decisive 409</p> <p>Court approval to discontinue 410</p> <p>No security for costs 411 Interim costs 411</p>
<p>19.06 (1) If the name of a person is alleged to be or to have been wrongly entered or retained in, or deleted or omitted from, the registers or records of a corporation without cause, a member or security holder of the corporation, or any aggrieved person may apply to a court for an order that the registers or records be rectified.</p> <p>(2) An applicant under this section shall give the Registrar not less than ten days notice of the application and the Registrar is entitled to appear and be heard in person or by counsel.</p> <p>(3) In connection with an application under this section, the court may make any order it thinks fit and, without limiting the generality of the foregoing, the court may make an order</p> <p>(a) requiring the registers or records of the corporation to be rectified;</p> <p>(b) restraining the corporation from calling or holding a meeting of members before such rectification;</p> <p>(c) determining the right of a party to the proceedings to have his name entered or retained in, or deleted or omitted from, the registers or records of the corporation; and</p> <p>(d) compensating a party who has incurred a loss.</p>	<p>Application to court to rectify records 412</p> <p>Notice to Registrar</p> <p>Powers of court</p>
<p>19.07 The Registrar may apply to a court for directions in respect of any matter concerning his duties under this Act, and on such application the court may give directions and make such further order as it thinks fit.</p>	<p>Application for directions 413</p>
<p>19.08 (1) If the Registrar refuses to file any articles or other document required by this Act to be filed by him before the articles or other document</p>	<p>Notice of refusal by Registrar 414</p>

Constructive
refusal
414

become effective, he shall within twenty days after receipt thereof by him or twenty days after he receives any approval that may be required under any other Act, whichever is the later, give written notice of his refusal to the person who sent the articles or document, giving reasons therefor.

(2) If the Registrar does not file or give written notice of his refusal to file any articles or document within the time limited therefor in subsection (1), he is deemed for the purposes of section 19.09 to have refused to file the articles or document.

Appeal from
Registrar's
decision
414

19.09 A person who feels aggrieved by a decision of the Registrar

- (a) to refuse to file in the form submitted to him any articles or other document required by this Act to be filed by him before it becomes effective,
- (b) to refuse to reserve or accept a name or revoke the name of a corporation under section 2.08,
- (c) to refuse to grant an exemption order under section 13.02,
- (d) to refuse to issue a certificate of discontinuance under section 14.15,
- (e) to refuse to revive a corporation under section 17.03, or
- (f) to dissolve a corporation under section 17.06,

may apply to a court for an order requiring the Registrar to change his decision, and upon such application the court may so order and make any further order it thinks fit.

Restraining
or compliance
order
415

19.10 If a corporation or any director, officer, employee, agent, auditor, trustee, receiver, receiver-manager or liquidator of a corporation does not comply with this Act, the regulations, articles, by-laws, or a unanimous member agreement, a complainant or a creditor of the corporation may, in addition to any other right he has, apply to a court for an order directing any such person to comply with, or restraining any such person from acting in breach of, any provisions thereof, and upon such application the court may so order and make any further order it thinks fit.

Summary
application
to court
416

19.11 Where this Act states that a person may apply to a court, the application may be made in a summary manner by petition, originating notice of motion, or otherwise as the rules of the court provide, and subject to any order respecting notice to interested parties or costs, or any other order the court thinks fit.

Appeal
414, 416

19.12 An appeal lies to the court of appeal from any order made by a court under this Act.

Offences
with respect
to reports
417

19.13 (1) A person who knowingly makes or assists in making a report, return, notice or other document required by this Act or the regulations to be sent to the Registrar or to any other person that

- (a) contains an untrue statement of a material fact, or
- (b) omits to state a material fact required therein or necessary to make a statement contained therein not misleading in the light of the circumstances in which it was made

is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding six months or to both.

<p>(2) If the person guilty of an offence under subsection (1) is a body corporate, then, whether or not the body corporate has been prosecuted or convicted, any director or officer of the body corporate who knowingly authorizes, permits or acquiesces in such failure is also guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding six months or to both.</p>	Idem
<p>(3) No person is guilty of an offence under subsection (1) or (2) if the untrue statement or omission was unknown to him and in the exercise of reasonable diligence could not have been known to him.</p>	Immunity
<p>19.14 Every person who contravenes a provision of this Act or the regulations for which no punishment is provided is guilty of an offence punishable on summary conviction.</p>	Offence 418
<p>19.15 (1) Where a person is guilty of an offence under this Act or the regulations, the court may, in addition to any other penalty it may impose, order that person to comply with the provisions of the Act or regulation for the contravention of which he has been convicted.</p>	Order to comply 418
<p>(2) Where an offence under this Act is committed on more than one day or is continued for more than one day, it shall be deemed to be a separate offence for each day on which the offence is committed or continued.</p>	Continuing offences
<p>(3) A prosecution for an offence under this Act may be instituted at any time within two years from the time when the subject-matter of the complaint arose.</p>	Time limited for proceedings
<p>(4) No civil remedy for an act or omission is suspended or affected by reason that the act or omission is an offence under this Act.</p>	Civil remedy not affected

PART 20.00

GENERAL

Notice to
directors and
members
420

20.01 (1) A notice or document required by this Act, the regulations, the articles or the by-laws to be sent or delivered to a member or director of a corporation may be sent by prepaid mail addressed to, or may be delivered personally to,

- (a) the member at his latest address as shown in the records of the corporation; and
- (b) the director at his latest address as shown in the records of the corporation or in the last notice filed under section 9.05 or 9.12.

Constructive
receipt

(2) A notice or document sent in accordance with subsection (1) to a member or director of a corporation is deemed to be received by him at the time it would be delivered in the ordinary course of mail.

Notice to
and service
upon a cor-
poration
421

20.02 A notice or document required to be sent or delivered to or served upon a corporation may be sent by registered mail to the registered office of the corporation shown in the last notice filed under section 4.01, and, if so sent, is deemed to be received or served at the time it would be delivered in the ordinary course of mail.

Waiver of
notice
422

20.03 Where a notice or document is required by this Act or the regulations to be delivered or sent the notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto.

Certificate
of Registrar
423

20.04 (1) Where this Act requires or authorizes the Registrar to issue a certificate or to certify any fact, the certificate shall be signed by the Registrar or by a Deputy Registrar authorized under section 20.08.

Evidence

(2) A certificate referred to in subsection (1) or a certified copy thereof, when introduced as evidence in any civil, criminal or administrative action or proceeding, is evidence of the facts so certified without proof of the signature or official position of the person appearing to have signed the certificate.

Certificate
of
corporation
423, 424

20.05 (1) A certificate issued on behalf of a corporation stating any fact that is set out in the articles, the by-laws, a unanimous member agreement, the minutes of the meetings of the directors, a committee of directors or the members, or in a trust indenture or other contract to which the corporation is a party may be signed by a director or officer of the corporation.

Proof

(2) When introduced as evidence in any civil, criminal or administrative action or proceeding,

- (a) a fact stated in a certificate referred to in subsection (1),
 - (b) a certified extract from a securities register of a corporation, or
 - (c) a certified copy of minutes or extract from minutes of a meeting of members, directors or a committee of directors of a corporation,
- is, in the absence of evidence to the contrary, proof of the facts so certified without proof of the signature or official character of the person appearing to have signed the certificate.

- (a) two copies (in this section called “duplicate originals”) of the articles or the statement shall be signed by a director or an officer of the corporation or, in the case of articles of incorporation, by the incorporators;
- (b) the duplicate originals shall be verified by the person who signs, declaring that he signed the articles or statement and that the statements contained therein are true; and
- (c) upon receiving duplicate originals of articles or a statement and upon receipt of the prescribed fees, the Registrar shall, if he finds that the articles or statement conform to law,
 - (i) endorse on each of the duplicate originals the word “Filed” and the date of the filing,
 - (ii) issue in duplicate the appropriate certificate and attach to each certificate one of the duplicate originals of the articles or statement,
 - (iii) file a copy of the certificate and attached articles or statement,
 - (iv) send or deliver to the corporation or its representative the original certificate and attached articles or statement, and
 - (v) publish in the *Canada Gazette* notice of the issue of the certificate.

Date of
certificate

(3) A certificate issued by the Registrar may be dated at any time after the receipt by him of the articles, statement or court order pursuant to which the certificate is issued.

Annual
return
432

20.11 (1) Every corporation shall, within one month after the anniversary date of its incorporation, amalgamation or continuance under this Act, send or deliver to the Registrar an annual return in prescribed form.
(2) The Registrar may, upon receipt of the prescribed fee, furnish any person with a certificate that a corporation has complied with subsection (1).

Certificate of
compliance

Alteration
433, 434

20.12 The Registrar may alter a notice or document, other than an affidavit or statutory declaration, if so authorized by the person who sent or delivered the document or by his representative.

Corrections
434

20.13 (1) If a certificate containing an error is issued to a corporation by the Registrar, the directors or members of the corporation shall, upon the request of the Registrar, pass the resolutions and send or deliver to him the documents required to comply with this Act, and take such other steps as the Registrar may reasonably require, and the Registrar may demand the surrender of the certificate and issue a corrected certificate.
(2) A certificate corrected under subsection (1) shall bear the date of the certificate it replaces.
(3) If a corrected certificate issued under subsection (1) materially amends the terms of the original certificate, the Registrar shall forthwith give notice of the correction in the *Canada Gazette*.

Date of
corrected
certificate
Notice

Inspection
435

20.14 (1) A person who has paid the prescribed fee is entitled during usual business hours to examine a document of a charitable corporation required by this Act or the regulations to be sent or delivered to the Registrar, except a report sent or delivered to him under subsection 18.02(2), and to make copies of or extracts therefrom.

(2) Upon receipt of the prescribed fee, the Registrar shall furnish any person with a copy or a certified copy of a document of a charitable corporation required by this Act or the regulations to be sent or delivered to the Registrar, except a report sent or delivered to him under subsection 18.02(2).	Copies
20.15 (1) Records required by this Act to be prepared and maintained by the Registrar may be in bound or loose-leaf form or in photographic film form, or may be entered or recorded by any system of mechanical or electronic data processing or by any other information storage device that is capable of reproducing any required information in intelligible written form within a reasonable time.	Records of Registrar 436
(2) Where records maintained by the Registrar are prepared and maintained other than in written form,	Obligation to furnish 436
(a) the Registrar shall furnish any copy required to be furnished under subsection 20.14(2) in intelligible written form; and	
(b) a report reproduced from those records, if it is certified by the Registrar, is admissible in evidence to the same extent as the original written records would have been.	
(3) The Registrar is not required to produce any document, other than a certificate and attached articles or statement filed under section 20.10, after six years from the date he receives it.	Retention of records 436
20.16 (1) A body corporate to which Parts II or III of the <i>Canada Corporations Act</i> or the <i>Boards of Trade Act</i> applies shall apply for a certificate of continuance under section 14.14 within five years after this Act comes into force.	Mandatory continuance 39, 43, 437-439
(2) Notwithstanding subsection (1), the Governor in Council may from time to time prescribe that any body corporate to which Part III of the <i>Canada Corporations Act</i> applies by virtue of a special Act of Parliament governing that body corporate need not apply for a certificate of continuance under subsection (1).	Exemption 439
(3) The Governor in Council may prescribe that a body corporate incorporated under an Act of Parliament to which Part II or III of the <i>Canada Corporations Act</i> does not apply shall apply for a certificate of continuance under section 14.14.	Discretionary continuance 439
(4) A body corporate required to obtain a certificate of continuance under subsection (1) or (3) is not required to pay any fees otherwise payable under this Act in respect of such continuance.	Fees 440
(5) A body corporate referred to in subsection (1) that does not apply for a certificate of continuance within the period specified in that subsection is deemed to be dissolved upon the expiry of that period.	Constructive dissolution 440
20.17 After this Act comes into force no body corporate may be incorporated or continued under Part II of the <i>Canada Corporations Act</i> or the <i>Boards of Trade Act</i> .	Incorporation under <i>Canada Corporations Act</i>
20.18 This Act shall come into force on a day to be fixed by proclamation.	Effective date

Notes

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